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Chad Asks UN Talks On Libyan Raids; U.S. to Send Arms

Compiled by Our Staff From Dispatches

NDJAMENA, Chad — The government of Chad Tuesday night requested an urgent meeting of the United Nations Security Council to take up what it called "Libya's intensified aggression" on the side of rebels in the civil war.

A Foreign Ministry statement said the northern oasis of Faya-Largeau has been submitted to "massive daily bombings from Libyan MiG-21 and Tupolev aircraft" since government troops recaptured it last Saturday.

The U.S. decision to send weapons followed weekend consultations led by Secretary of State George P. Shultz and a strongly worded State Department condemnation of what it calls "Libyan aggression."

France announced earlier Monday that it was sending anti-aircraft weapons to Chad.

The Pentagon would not confirm news reports that a U.S. aircraft carrier battle group is on standby off Libya.

The Libyan Embassy in Paris issued a statement denying it is a belligerent in the battle for Faya-Largeau and calling the fighting an internal conflict between opposing Chadian factions.

Chad's foreign minister, Idriss Miskine, said the Libyan pilots were taking advantage of the knowledge that "we lack anti-aircraft defenses."

Senior U.S. officials told The Washington Post and Agence France-Presse that the United States would dispatch an unspecified number of heat-seeking Red-eye missiles for use by the Chadian Army fighting in the north. The Redeye is a portable, shoulder-fired missile that seeks out low-flying aircraft.

Chad has nothing in terms of anti-aircraft defense and government troops are being pounded on a continual basis by the Libyans, one U.S. official said Monday.

One seven-hour bombing attack killed many civilians and soldiers Monday night, the Chadian Foreign Ministry statement added.

Earlier Tuesday, President Hissein Habré charged Libya with genocide in bombing Faya-Largeau, saying the number of casualties was "frightening and dramatic."

The official Libyan news agency, JANA, was quoted by The Associated Press as saying that Mr. Habré had been killed in fighting against rebel troops around Faya-Largeau. The report could not be independently confirmed because journalists are not allowed at the front, 500 miles (800 kilometers) north of here, but Chad's informants



In talks on Central America, Richard B. Stone, U.S. special envoy, right, meets Nicaraguan government members, from left, Miguel d'Escoto Brockmann, foreign minister; Daniel Ortega Saavedra, the junta commander; and Saul Arana, a Foreign Ministry aide.

Pentagon Plans Mock Bomber Runs, Quarantines of Ships Off Honduras

By George C. Wilson
and George Lardner Jr.
Washington Post Service

WASHINGTON — The United States will fly mock bombing runs over Honduras and practice quarantine maneuvers at sea in the forthcoming air and naval exercises of Central America, U.S. military officials say.

The military plans now being refined, the officials emphasized, do not call for direct confrontation with Nicaragua or for stopping foreign ships. Instead, the officials said, the idea is to display warning signs to Marxist forces and to demonstrate U.S. support for government troops in El Salvador.

Military planners Monday were studying the best way to demonstrate the ability of the U.S. to support friendly ground troops with warplanes based on carriers. If the plans go forward as expected, U.S. Navy A-6 light bombers will fly practice runs over Honduras until U.S. troops arrive.

But first, officials said, elaborate communications gear and other equipment needed to coordinate air and sea exercises must be put on the ground in Honduras. This preparation will take several weeks. Thus, the troop-support missions probably will not be flown until September or later.

The plans for practicing quarantine at sea are further along, officials said, mostly because the maneuvers are less complicated than combined air and ground exercises, which would involve the U.S.



United Press International
Viktor P. Karpov, the chief Soviet negotiator at the Geneva talks on strategic nuclear missile reductions.

U.S. Views Stone's Talk With Rebel as Positive

By Philip Taubman
New York Times Service

WASHINGTON — A meeting Sunday between President Ronald Reagan's special envoy to Central America and a leader of El Salvador's guerrillas was a positive step, administration officials say.

But the officials say it represents only a preliminary step toward negotiations between the Salvadoran government and the rebels.

The envoy, Richard B. Stone, met Sunday in Bogotá with Rubén Zamora, a director of the Revolutionary Democratic Front, one of five leftist political groups representing the Salvadoran guerrillas.

It was the first meeting between Mr. Stone and a guerrilla leader since Mr. Stone began his diplomatic mission in June.

Administration officials said

that Mr. Stone and Mr. Zamora had agreed to schedule additional meetings between U.S. and guerrilla representatives to discuss the circumstances under which the rebels

President Reagan's moves in Central America are making European allies uneasy. Page 6.

would talk to the Salvadoran government.

U.S. officials, reiterating U.S. policy, said Monday that any discussions between the government and the guerrillas would not involve power sharing and would be limited to the issue of voter participation in elections.

After meeting Monday with President Belisario Betancur of Colombia, who helped arrange Sunday's meeting, Mr. Stone flew to

El Salvador on Sunday after his meeting with Mr. Zamora to brief Salvadoran leaders on the talks. He returned to Colombia late in the day.

A senior Salvadoran diplomat in Washington said Monday that the provisional president of El Salvador, Alvaro Magaña, was "encouraged" by Mr. Stone's report.

Like U.S. officials, however, he cautioned that Sunday's meeting was the first step in a process of trying to end El Salvador's three-year civil war. "It's just the first of a 15-round fight," the diplomat said.

Sunday's meeting, as the first between Mr. Stone and a guerrilla leader, was a significant symbolic step in the process, administration officials said.

But the officials added that

(Continued on Page 2, Col. 5)

U.S. Assailed by Soviet As START Talks Recess

New York Times Service

GENEVA — The United States and the Soviet Union recessed the Strategic Arms Reduction Talks for two months Tuesday, and the Soviet negotiator, Viktor P. Karpov, complained that Washington was "marking time."

Mr. Karpov, on his arrival at the U.S. delegation headquarters for the final meeting of the eight-week fourth round of the talks, was asked whether any progress had been made. He replied with a blunt "no."

Washington's position was not one of seeking agreement, but of "marking time only," he said.

Apparently irked by Mr. Karpov's comments, Edward L. Rowny, the American negotiator, authorized a statement that "we take these talks very seriously" and that he intended to continue to abide "scrupulously by the agreement to minimize the confidentiality of these negotiations."

Both the negotiators seeking curbs on nuclear intercontinental ballistic missiles and those at the now-recessed parallel talks here on intermediate-range arms have left to their capitals all official and unofficial comment.

The strategic missile talks, which began 13 months ago, are to be resumed Oct. 5 with the usual private meeting of the two

chief negotiators. The fifth round will get into full swing the next day with a plenary meeting of the two delegations, according to an official announcement issued after Tuesday's session.

Mr. Karpov gave no hint Tuesday of any results of the "flexibility" that Washington said Mr. Rowny had gained as a result of new instructions given him for the last round.

President Ronald Reagan, acting in accordance with recommendations from the commission he had appointed to evaluate the nation's needs in strategic forces, rejected his original proposal that each side be limited to 850 ballistic missiles.

That enabled the United States to move closer to the reported Soviet-proposed limit of about 1,450 missiles for each side. But President Reagan stood firm on his original proposal calling for a one-third cut in total nuclear warheads, or to about 5,000 on each side.

The commission endorsed the deployment of a limited number of the 10-warhead MX missile sought by the administration, but recommended that the two superpowers move to a smaller, more mobile missile carrying only one nuclear charge.

The Soviet Union has de-

(Continued on Page 2, Col. 5)

Central Banks Intervene to Halt Rise of Dollar

By Bob Hagerty

International Herald Tribune

London — Concereted selling of dollars by central banks knocked the currency down sharply Tuesday from the peak levels reached in recent days.

Foreign-exchange dealers said that the move calmed a highly nervous market but that the effect was likely to be fleeting because the market still expected higher U.S. interest rates.

An economist at a major West German bank, however, said it was the help of central banks to calm the market by "showing the flag" and letting their views be known.

European countries, especially

France, have been pressing Washington to encourage a decline in U.S. interest rates, which have drawn huge amounts of foreign funds into dollar investments in the past three years. The strong dollar helps boost exports to the United States, but it also pushes up prices of products, such as oil, that are priced in dollars.

The dollar's strength also draws vital investment funds from foreign countries and makes them hesitant to cut interest rates lest their currencies slump further.

"What is needed most," Deutsche Bank said in a recent report, "is a solution to the U.S. [federal] budget problems, which are keeping interest rates high."

Britain did not take part in the recent intervention, an official source said, apparently because of a desire to prevent a further rise of the pound against the currencies of the country's European trading partners.

■ Greece to End Tie to Dollar

The peg of 84 drachmas to the dollar, at which the Bank of Greece has maintained the drachma since its 15.5 percent devaluation against all currencies in January, is to be abolished, Economy Minister Gerassimos Arsenis said Tuesday. Reuters reported from Athens.

Mr. Arsenis, quoted by Greek radio, said the Greek currency "will now follow a course closer to that of the European currencies."

He said the drachma's value would be determined against a basket of currencies similar to that used before the Jan. 9 devaluation.

Analysis said the intervention had a bigger psychological effect

can carry 40 soldiers and their combat loads up to 500 miles (800 kilometers). The helicopter can carry 28 soldiers about 200 miles.

The Nicaraguans have been enlarging several airfields, including what appears to be a main air base at Punta Huete, near Managua, to enable them to accept advanced aircraft, the officials said. Construction has not been completed.

The officials said Cubans appeared to have taken charge of assistance and training of Nicaraguan ground forces.

Soviet Arms Shipments to Nicaragua Are Said to Have Doubled

By Richard Halloran

New York Times Service

WASHINGTON — The Soviet Union has delivered twice as much military equipment to Nicaragua so far this year as it did in all of 1982, according to Defense Department officials.

The officials also said Monday that the number of Soviet Cuban and East German advisers in Nicaragua had increased recently.

At the same time, State Department officials said that the flow of arms from Nicaragua to insurgents in El Salvador had slowed but that shipments of ammunition and supplies were continuing.

The Defense Department officials said, however, that most Soviet arms shipments to Nicaragua appeared to be for use by the Nicaraguans justified their arms buildup because of what they say is a state of war imposed on them by the United States. The United States supports an insurgent movement inside the country by anti-Sandinista guerrillas.

The Pentagon officials said the Soviet Union, in its shipments to

Nicaragua since 1981, had concentrated on the delivery of heavy weapons, including tanks, armored personnel carriers, artillery and aircraft.

The officials declined to say how their information was obtained, or there to say that they had used both advanced and traditional forms of intelligence gathering.

The Soviet freighter Ulyanov, which was noted by President Ronald Reagan in his news conference last week, passed through the Panama Canal from the Caribbean over the weekend and was headed for the port of Corinto on Nicaragua's Pacific coast.

The Ulyanov is the 10th ship from the Soviet Union or its East European allies to go to Nicaragua with military supplies this year, the officials said, compared with five in 1982. In addition, they said, 10 other Soviet cargo ships, mostly from the Soviet Union, are bound for Nicaragua this year, up from 7 to 100, had shown particular interest in improving Nicaragua's small air force by teaching fliers and ground crews.

About 70 Nicaraguan pilots and mechanics completed training in Bulgaria in December, the officials said.

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goal. About 25,000 are regular troops, the officials said, but the rest have been seeing more active duty. The rest of the Nicaraguan forces are in militia and police units.

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Castro Ready to Talk to U.S., McGovern Says

Los Angeles Times Service

WASHINGTON — Former Senator George S. McGovern, who met with Fidel Castro during a recent four-day visit to Cuba, says the Cuban leader expressed a "new sense of urgency" and a "new willingness" to open talks with the United States on Central American issues.

"He stressed one point above all

others — his strong desire to get together with the United States on negotiations on anything we'd like to talk about, especially on Central America," Mr. McGovern said Monday.

"Castro said he does not want a bloody war that could spill over into Cuba," the South Dakota Democrat said at a news conference.

Mr. McGovern said that he had no way of evaluating Mr. Castro's motives or testing his sincerity.

"but I think we ought to seize on this initiative."

Mr. Castro's new willingness to talk is a response "to the urging of his friends rather than the pressure of his enemies," said Mr. McGovern, who was the Democratic presidential candidate in 1972.

Mr. McGovern said that he had no way of evaluating Mr. Castro's motives or testing his sincerity.

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As Americans question the competence of their high school graduates, nine out of 10 Japanese teenagers leave high school with a diploma that assures employers that they possess fundamental reading and calculating skills.

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Moslems Feel Let Down By Gemayel's Regime

**Favoritism Toward Christian Lebanese
May Bring New Civil Strife, Some Feel**

By J. Michael Kennedy
Los Angeles Times Service

BEIRUT — The Middle East Airlines jumbo jet dipped out of the night sky on its final approach to Beirut International Airport. On board was President Amin Gemayel, sneaking back into his country.

When he left Paris several hours earlier, Mr. Gemayel had ordered that no flight plan be filed; he did not want to tip off his arrival time to the Syrians and the Druze.

NEWS ANALYSIS

political enemies, whose artillery can reach the airport runways.

In this troubled country, Mr. Gemayel was perhaps wise to take such precautions. Lebanon was a shambles when he took up the reins of power last September. But if anything, the problems he faced on his return last week from Washington and Paris were even more acute. And one of his biggest problems is the perception that he is ignoring Lebanon's Moslem majority and stacking the deck of government in favor of Christians, particularly members of the Phalange Party, founded by his father.

In the heady days last fall when he first visited Washington, there seemed to be a chance for peace. Mr. Gemayel had taken to the radio as his plane neared Beirut and delivered a stirring speech to his embattled nation. He talked of hope, of the need for national unity.

Stone's Talk Seen as Step

(Continued from Page 1) many procedural issues remained to be resolved before any meeting between the guerrillas and the government could occur.

The Salvadoran government has said that the appropriate group to hold discussions with the rebels was the Peace Commission, a group appointed by San Salvador earlier this year to look for ways to resolve the civil war through nonmilitary means.

The head of the commission, Francisco Quinones, said Monday that the government was "excited" by Mr. Stone's meeting with Mr. Zamora and predicted that the commission would meet with the rebels soon. "We've sent a message and we're waiting for an answer," Mr. Quinones said. He added that the message was not sent through Mr. Stone.

Both U.S. and Salvadoran officials said Mr. Stone would probably not play a direct role in any negotiations between the government and rebels. The State Department spokesman, John Hughes, reiterated Monday that Mr. Reagan's mandate to Mr. Stone was to facilitate discussions between the government and guerrillas but not to act as a mediator.

Administration officials said that future meetings between Mr. Stone and guerrilla leaders would focus on the issue of how to arrange direct talks between the rebels and the government.

"Working out arrangements for talks is difficult, and that's basically a procedural issue," an administration official said. He added, "Getting the two sides into the same room doesn't guarantee that they will agree on anything."

Salvadoran leaders have said recently that presidential elections, originally scheduled for March 1984 but then moved up to the end of this year at the request of the United States, would probably slip back to 1984 because of delays in approving a constitution and registering voters.

Guerrilla leaders in the past have refused to talk about participating in the elections, asserting that the government could not guarantee either the integrity of the electoral process or the physical safety of rebel candidates.

■ **Stone Calls Talk Useful**

Mr. Stone called his 11-day Latin American tour "quite useful," but he refused to discuss the meeting with Mr. Zamora, The Associated Press reported from Washington.

Mr. Stone would not say whether there would be further talks with Nicaragua, telling reporters at Andrews Air Force Base outside Washington, "We have to preserve the confidentiality" of the negotiating process.

He seemed to be the man who could somehow remove foreign troops from Lebanon and put an end to the brutal sectarian feuds. But the foreign troops are still here, Israelis to the south and Syrians to the north and east, and Mr. Gemayel seems powerless to bring about their departure.

The president alone could not have prevented the deterioration of events here, but he must bear some of the blame, along with his allies. While hope for national unity filled the air last fall, Mr. Gemayel's most pressing problem now is the same religious division that has been historically the plague of Lebanese politics.

The Moslem majority is becoming increasingly angered by what its political leaders call poor treatment by Mr. Gemayel's government. They complain that the Phalangists are getting more than their share of the choice government appointments, both in Beirut and in the diplomatic corps.

"He is actually a Phalange president," said former President Suleiman Franjeh, who, like Mr. Gemayel, is a Christian. "He has always been under Phalange pressure."

Mr. Franjeh, along with the Druze leader Walid Jumblat and former Prime Minister Rashid Karame, a Moslem recently founded the National Salvation Front to present a political opposition to Mr. Gemayel's policies.

For a quarter of a century, until the 1975-76 civil war, Lebanon was ruled through a delicate balance of religion and politics. The president was always a Christian, the prime minister a Sunni Moslem, the speaker of the parliament a Shiite Moslem. That formula is still intact after eight years of war, when national government was practically nonexistent, but more and more, the Moslems say, Mr. Gemayel and his government are failing to account for Moslem needs.

The people of Beirut are afraid of what might happen next. Levan Berberian, who runs a travel agency, said the other day that his business was 25 percent above what it had been at this time of year in 1981, when Beirut was in a state of anarchy.

"The people here are buying 30- and 60-day tickets," he said. "They want to have a ticket in their hands if there is serious trouble."

Early every day, hundreds of people line up at the U.S. Consulate to apply for a visa that will get them into the United States. Like the ticket-buyers, they have no immediate travel plans, but they want to be ready.

"I feel more afraid now than I ever did in the old days," a prominent Lebanese doctor said. "It is the government that is treating the people badly."

Support for this point of view can be seen in the difference between East Beirut, where the Christians live, and West Beirut, which is predominantly Moslem.

The army is out in force in West Beirut, and there are dozens of checkpoints. Automobile searches are common. But in East Beirut, there is only a token army presence, and the Phalangists, who put away their guns and uniforms after the war, are back on the streets in full military regalia.

Diplomats and other analysts say that since Mr. Gemayel took office his government has committed a series of blunders that have served to alienate the Moslem community. These began with a decision to demolish squatter homes near the airport, most of them occupied by Shiite Moslems. The Shiites are the poorest and most populous sect in Lebanon, accounting for roughly half the population.

The government said that the squatters were in the landing pattern and thus a potential hazard.

But the government made no provision for relocating the squatters. After intense pressure from the Shiite leaders, and from the Italians of the multinational peace-keeping force, the demolition was stopped.

Over the past year the army has made it a practice to conduct sweeping searches and arrests in the poorer sections of Beirut, sections occupied for the most part by Shiites and Palestinians.

"What happened to the people in the southern suburbs is one of the reasons the Druze do not want the army," in the Chouf Mountains east of Beirut, a longtime Middle East expert said. The Chouf has been the site of violent conflict between Christian and Druze militias for the past month.

Mr. Stone would not say whether there would be further talks with Nicaragua, telling reporters at Andrews Air Force Base outside Washington, "We have to preserve the confidentiality" of the negotiating process.



President Amin Gemayel waved to crowds during a celebration in Beirut marking Lebanon's armed forces day.

Exchanges of Fire Erupt Among Units in Lebanon

By Thomas L. Friedman
New York Times Service

BEIRUT — Six different armies clashed with one another inside Lebanon Tuesday, undermining the country's steadily deteriorating security situation.

Palestinian guerrilla factions fought with each other and with the Lebanese Army in the central Bekaa Valley. Israel battled with Syrians in the southern Bekaa, while Israeli clashed near Sidon with Phalangist Christian militiamen whom they were trying to evict from southern Lebanon.

The fighting among the various Lebanese groups and occupation forces formed an appropriate backdrop for first foray into the Lebanon crisis by the new U.S. special envoy, Robert C. McFarlane. The senior American diplomat, who arrived in Beirut on Sunday night, met for 45 minutes Tuesday with President Amin Gemayel in his mountain village of Bikfaya, northeast of Beirut, apparently to discuss new American ideas for securing the withdrawal of all foreign forces from Lebanon.

Mr. McFarlane, who traveled on to Israel on Tuesday night, was said to be trying to organize a troop disengagement agreement between Israel and Syria in eastern Lebanon; those countries would then announce timetables for simultaneous withdrawals from all of Lebanon's territory. The envoy is also expected to visit Syria where the state-run media have been violently attacking U.S. Middle East diplomacy for the past two days.

By nightfall, an Israeli military spokesman outside Beirut declared that Israel's forces were "in control" of the Kfar Falouz base. He added, however, that some Phalangist militiamen and local Christian villagers were still inside the building but would be "leaving soon." But a Phalangist militia spokesman, Fadi Hayek, said that all the men were still in the building, that they had no intention of leaving and that negotiations were under way to resolve the dispute peacefully.

The Israeli spokesman said the decision to move against the barracks had been made after the Phalangists refused to heed an Israeli warning last Wednesday to evacuate the position because the militiamen based there had been involved in unspecified "irregular actions" that had not been coordinated with the Israeli regional command.

Farther north, in the central Bekaa Valley, heavy artillery and ma-

chine-gun battles erupted for the 11 straight day between Palestinian guerrillas loyal to Yasser Arafat and anti-Arafat rebels.

For the first time, however, the intra-Palestinian conflict engulfed the Lebanese Army as well. The state-run Beirut radio said the rebel Palestinian forces led by Colonel Sayed Mufti fired on a Lebanese Army car near the town of Baalbek and the Lebanese returned the fire.

The rebels then tried to advance on the Lebanese Army's Sheik Abdallah barracks outside Baalbek, which prompted the army to open fire on them with heavy artillery.

After a one-hour exchange of fire, the Syrian troops in nominal control of the area intervened and arranged a cease-fire, the radio said, but not before two persons were killed and eight were wounded.

Finally, in southern Lebanon, Israeli troops raided a Phalangist outpost at Kfar Falouz, five miles east of Sidon, marked the second attempt in five days by the Israeli Army to expel the Christian Phalangists from certain of their positions in the south. Once again, however, hundreds of Christian villagers responded to the Israeli move by surrounding the Phalangist barracks, engaging in isolated skirmishes with Israeli troops and generally making it impossible for them to evict the roughly 100 militiamen at the base.

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Sri Lanka's Economy Is Seriously Damaged By Strife, Analysts Say

By William Claiborne
Washington Post Service

COLOMBO, Sri Lanka — The ethnic violence of the past week has seriously damaged the economy of Sri Lanka, economic analysts say.

Property damage resulting from the conflict between the Sinhalese majority and the Tamil minority, including a wave of arson and looting, is expected to run as high as \$300 million.

Moreover, economists say prospects for increased foreign investment, which President Junius R. Jayewardene had counted on to improve an ailing free-market economy, have diminished as a result of the violence.

"We are very worried," said Douglas Liyanage, secretary of the Ministry of State. He called the damage "extensive" and said it was "calculated to damage the economy."

"We have had racial conflicts before," Mr. Liyanage said, "and they have not gone this far."

In greater Colombo alone, the Tamils, who represent 9 percent of the area's population of 1.6 million, own a third of the business establishments.

However, half the 4,100 Tamil-owned businesses have been destroyed by fire, and nearly a quarter of the 14,400 Tamils living in the Colombo area have been left homeless.

Across Sri Lanka, more than half the wholesale and retail trade is controlled by the Tamil minority of 3.5 million. Of the island's total population of 15 million, 73 percent are Sinhalese.

S.S. Jaywickrama, secretary of the Ceylon Chamber of Commerce, said the Sinhalese business community would be affected as well because many Tamil traders would be unable to pay their bills.

Other Sri Lankan analysts predicted that inflation, unofficially at a rate of 20 percent, and unemployment, now at 14 percent, would increase. They also said they expected the foreign exchange rate to worsen, possibly resulting in depreciation for the rupee of up to 25 percent against the dollar.

Over the long term, foreign investment will be damaged the most, economists said.

Since 1977, Sri Lanka has aggressively encouraged foreign investment, particularly in exportable, labor-intensive projects. The aim was to generate foreign exchange and reduce unemployment.

The order came after a week of riots that had left 213 people dead in violence between the minority Tamils and the majority Sinhalese.

Stewart Slavin, the West Asia manager for United Press International, who is based in New Delhi, was quoted from his Colombo hotel at mid-morning by two immigration officials and driven to Katunayake Airport outside the capital. He was still at the airport at mid-afternoon.

The minister for lands, Gammie Dissanayake, announced on television Sunday that 150,000 jobs had been lost since the violence began.

During that time 17 major manufacturing plants were destroyed. These figures contrast with a recent government announcement that 24,000 jobs had been created.

As recently as June, the commercial section of the U.S. Embassy in Colombo had issued an economic trends report on Sri Lanka. The report said there was a "reasonably good" prospect for 5 percent to 6 percent growth in the gross national product. The report also said that the stage had been set "for a period of political stability and economic consolidation through at least the end of this decade."

The basis for the optimistic report was Mr. Jayewardene's election to a six-year term in October. In elections in May, he retained a five-sixth majority in the Parliament for six years, and in a national referendum last December, the life of his Parliament was extended.

Western economic analysts and banking sources estimate that about a third of all investment in Sri Lanka industry, commerce and banking and finance services is foreign. No wholly owned foreign.

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The basis for the optimistic report was Mr. Jayewardene's election to a six-year term in October. In elections in May, he retained a five-sixth majority in the Parliament for six years, and in a national referendum last December, the life of his Parliament was extended.

Western economic analysts and banking sources estimate that about a third of all investment in Sri Lanka industry, commerce and banking and finance services is foreign. No wholly owned foreign.

The minister for lands, Gammie Dissanayake, announced on television Sunday that 150,000 jobs had been lost since the violence began.

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WORLD BRIEFS

Japan to Weigh State Rail Cutbacks

TOKYO (Reuters) — The government said Tuesday that it would consider proposals to scrap a large part of Japan's money-losing state railway system and to turn over many local lines to private owners.

Congressional Conference in U.S. Agree To End Moratorium on Nerve Gas Output

By Walter Pinjus
and Helen Dewar
Washington Post Service

proved to simultaneous progress in development of a smaller missile nicknamed Midgetman.

The Senate conference turned down another House amendment from Representative Albert A. Gore Jr., a Tennessee Democrat, that would have limited fiscal 1984 production to 21 MX missiles, instead of the 27 sought by the Reagan administration.

Representatives Aspin and Gore were leaders among moderate House Democrats who supported the MX earlier this year in return for administration pledges to take new steps on arms control and work toward replacement of MX with the smaller missile in the future. They offered their amendments to hold the administration to its part of the bargain.

Sources said Monday that if the Senate did not change its mind on the Gore proposal to reduce fiscal 1984 MX missile production the entire defense conference report could be defeated in the House.

Senate Majority Leader Howard

H. Baker Jr., a Tennessee Republican, said Monday that he hoped the conference would finish within the next two days so that Congress could take final action on the measure before the August recess begins at the end of this week.

Opponents of the chemical weapons decision, however, said Monday night that they would work to reverse the conference's decision if the report is brought to the House floor this week.

They are particularly incensed because in June the House specifically turned down by 14 votes an amendment similar to the production proposal the conferees approved Monday. The House then went on to approve an amendment that eliminated all production money in fiscal 1984 for the new artillery shell by an even larger 95-vote margin.

In July, however, nerve gas supporters won in the Senate when Vice President George Bush broke a 49-49 tie vote on an amendment to block production. The Senate

went on to approve a bill that included not only production funds for the binary artillery shell, but also money to begin buying production equipment for a new nerve gas bomb called the Bigeye.

Given the close Senate vote, nerve gas opponents in both chambers said they believed that the House position would prevail in the conference.

However, most of the senior members of the House Armed Services Committee, who were the House conferees, favored resuming production and Monday gave in to the Senate position. They did, however, add an amendment requiring one old chemical shell to be destroyed for each new one built.

Proponents of the binary nerve gas weapons have argued that the newer weapons would be safer than the old ones now deployed. The new shells contain two chemicals, but they do not turn into deadly nerve gas until they are mixed together, which occurs only when the shells are fired.



Residents of Seneca County, New York, waved American flags and jeered Monday at women who participated in an anti-nuclear protest at the Seneca Army Depot.

242 Women Arrested at Nuclear Protest in New York

The Associated Press

ROMULUS, New York — Military police at the Seneca Army Depot arrested 242 women who climbed the depot's fence during a rally by about 1,900 demonstrators.

The protesters, demanding a halt to U.S. plans to deploy cruise and Pershing-2 missiles in Europe this year, walked to the arsenal Monday and scaled its six-foot (1.8-meter) fence in small groups.

Military police waited for the women to climb down from the

fence before restraining them with plastic handcuffs and leading them to nearby vans to be fingerprinted and photographed.

Most were released after being issued warning letters, said Robert Zemanek, a spokesman for the depot. Eleven women who had committed the offense previously were held overnight while waiting to appear before a federal magistrate on trespassing charges.

Sheriff's deputies formed a line Monday between the marchers and Seneca County residents

who waved American flags and jeered, calling the women communists and lesbians.

A Women's Encampment for a Future of Peace and Justice, which opened July 4 on a farm flanking the depot, claims that nuclear weapons are stored at the depot. Participants pledged Tuesday to continue their acts of civil disobedience.

The U.S. Army refuses to confirm or deny the presence of nuclear weapons at the Seneca depot or at any other site.

Easing of U.S. Trade Curbs on Soviet Suggested

By Clyde H. Farnsworth
New York Times Service

tightened in January 1980, after the Soviet military intervention in Afghanistan.

The two cabinet officers' action was taken in a joint paper that they submitted to President Ronald Reagan at the end of last week. Despite the opposition of Defense Secretary Caspar W. Weinberger, it is believed that Mr. Reagan will accept the Shultz-Baldridge recommendation, at least for some types of oil and gas equipment.

[Mr. Reagan's] deputy press secretary, Larry M. Speakes, confirmed Tuesday that the recommendation had been made but said that the president had not yet made a decision on it. United Press International reported from Washington.]

The administration announced last Thursday a new long-term grain agreement under which the Russians will buy at least nine million metric tons (about 10 million short tons) of American grain in the next five years. In still another apparent indication of a new interest in more normal trade relations with Eastern Europe, the administration on Friday dropped its refusal to discuss rescheduling of Poland's foreign debt.

The latest option paper on oil and gas equipment sets out two main possibilities, according to officials who have seen it. These are to lift the oil and gas controls completely, or to dismantle them only partially by eliminating sanctions on pipe layers — tractors with special tools that lay oil and gas pipes to the ground. The expectation is that Mr. Reagan may relax the restriction on exportation of pipe layers but possibly not on other equipment, such as electron-beam welders and high-quality drill bits.

Officials said the State Department was reluctant to go along with the more sweeping decontrol on the ground that "the timing is inappropriate." Mr. Shultz and Mr. Baldridge were receptive to the Caterpillar argument, especially since Mr. Morgan holds a pivotal position in the Business Roundtable as head of its task force on trade reorganization.

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The organization's director of research said that although there were significant differences among blacks in income, education, family structure, and occupation, the league had found that "blacks are much more homogeneous in their attitudes and much more cohesive as a group than economic data alone would indicate."

The official, Dr. James McGhee, said: "There is substantial agreement across all income levels as to the major problems that blacks face and the reason for those problems — racial discrimination."

The report maintains that the increased opportunities for blacks and the growth in the black middle class over the last 20 years have led social analysts and others to con-

sider that blacks can be generally divided into two polarized groups, one that is well-educated, skilled and employed, and another that lacks these qualities.

The shared experience of racial discrimination unites blacks from all income levels around a variety of concerns, according to the report, released Monday.

The organization's director of research said at the league's annual conference that although there were significant differences among blacks in income, education, family structure, and occupation, the league had found that "blacks are much more homogeneous in their attitudes and much more cohesive as a group than economic data alone would indicate."

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Soviet Plan to Buy U.S. Grain Viewed As Shrewdly Meeting Domestic Needs

By John F. Burns
New York Times Service

MOSCOW — The Soviet Union's decision to buy at least nine million metric tons of American grain a year between 1983 and 1988 reflected a shrewd assessment of domestic requirements, including a need to rebuild depleted reserves and to strengthen livestock herds, according to Western agricultural experts here.

The Soviet commitment to a new five-year grain pact, announced last week, is widely viewed by these experts as a political gesture to the Reagan administration. But they also say that diplomatic considerations dovetailed with the needs of a Soviet economy that is only just beginning to recover from a disastrous succession of four bad harvests.

If the current Soviet harvest meets the U.S. Department of Agriculture's estimate of 200 million metric tons (about 220 million short tons), it will be the first reasonably good yield since the bumper year of 1978, when the Russians reported a total of 237 million metric tons.

Agricultural attachés at Western embassies in Moscow who have visited some key growing areas say that harvesting appears to be going at a crisp pace, and that believe that the yield could creep up to 205 million metric tons because of timely summer rains in the Volga River valley and northern Kazakhstan.

However, even a 205-million-ton

crop would represent a 14-percent shortfall from the official target of 238 million tons and would be the cumulative deficit in the government's five-year plan, running until 1985, to almost 170 million tons. Imports of more than 110 million tons have reduced this deficit. But the Kremlin has also had to dig deep into strategic reserves, and some Western experts believe that these may have been exhausted.

The size of the reserves is a secret. But Soviet officials who have discussed the new grain pact with the United States have acknowledged privately that the need to rebuild reserves was an important factor.

The importance attached to reserves was underscored by the partial grain embargo imposed by the United States between 1980 and 1981. Soviet officials noted pointedly that almost all Soviet imports come from countries in the Western camp.

According to the diplomatic attachés, a point that strongly favored a new agreement with Washington was the Soviet commitment to a long-term strengthening of livestock herds. As the world's biggest grain buyer, the Kremlin is believed to have decided that the United States has no equal among exporting nations as a source of corn and other feed grains, which have tended to be American farmers' strongest suit with Soviet buyers.

Until the mid-1980s, the Kremlin is committed to buying approximately 20 million tons of grain a year abroad. That is the total the

U.S. grain market can afford.

From this standpoint, diplomats in Moscow consider the new U.S.-Soviet agreement a significant breakthrough for American farmers, securing again a possibly dominant share of the important Soviet market.

A major goal of the Soviet food program, announced last year and being strongly pushed by the Kremlin's new leader, Yuri V. Andropov, has been to increase per capita consumption of meat, poultry and dairy products, which lag badly behind Western standards.

Andropov has been led to do this by his desire to stop the wide shortage of oil.

Sales of oil technology to Moscow were under government control until 1969, when Congress passed the Export Administration Act, which removed many barriers to Soviet-American trade.

In 1972, the administration of President Richard M. Nixon gave Moscow access to oil equipment, prohibiting only those deals believed to have a military application.

Last summer the Reagan administration moved to the other extreme, imposing controls even against European companies that made the oil equipment under license and then sold it to the Russians.

The objective was to stop construction of a natural gas pipeline from Siberia to Western Europe.

Those sanctions, which caused a major rift in Atlantic relations, were lifted last November. According to recent reports from Moscow, the pipeline is just about complete.

Former U.S. Congressman Planning New Role as Homosexual Activist

By Betty Cuniberti
Los Angeles Times Service

WASHINGTON — Robert E. Bauman, the conservative former U.S. representative who once told voters he would "not go back to the personal hell" created by his "twin compulsions" toward alcoholism and homosexuality, was to introduce himself publicly Tuesday as a homosexual and a gay-rights activist.

Mr. Bauman, a Maryland Republican, eventually lost his seat in the House after he was charged in 1980 with soliciting sex from a teen-age boy. The three-term congressman agreed to undergo rehabilitation for his problems and vowed to punch up his marriage.

"I wanted someone to tell me, 'You can be cured,'" Mr. Bauman said in an interview. "But I went to three different shrinks, and no one would tell me that. Finally, I decided the inevitable. This is me. It was a hell of a relief."

Steve Endean, the executive director of the Gay Rights National Lobby, said that Mr. Bauman's "decision to speak out is incredibly important to gay civil rights. It has always been a liberal cause and it shouldn't be."

In the interview, Mr. Bauman explained that he is still politically conservative and against legal abortion, and that he will encourage gays to vote for Ronald Reagan

if the president runs for re-election.

"Being gay cuts across all ethnic, racial, philosophical and ideological lines," Mr. Bauman said. "One of the benefits that might flow from my activities is to demonstrate publicly that. My sexuality has nothing to do with my conservatism, my political ability, my legal ability or anything else."

Mr. Bauman said he was making the disclosure because of the "hundreds of thousands who are suffering." He added, "If they can see it is respectable to be conservative, politically active and gay, there will be a good ending to this bitter struggle I went through. Why should I waste that?"

Mr. Bauman, who is divorced and the father of four children, said he planned extensive lobbying efforts, particularly among conservatives, for passage of a homosexual rights bill in the House.

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Reagan Talk To Lawyers Is Criticized

Black Leaders, Women Call Speech 'Simplistic'

By David Margolick
New York Times Service

ATLANTA — Black political leaders and lawyers, along with representatives of women's bar groups and civil libertarians, have criticized President Ronald Reagan's speech to the American Bar Association. The president's message was well received, however, by most of the 3,000 lawyers at the ABA convention.

Mr. Reagan's critics said Monday's speech, in which he reviewed his record on civil rights and women's rights and repeated his opposition to racial quotas and affirmative action, was simplistic and, in some cases, misleading. They also assailed his call for allowing certain illegally seized evidence to be used in court and for a constitutional amendment permitting voluntary prayer in public schools.

At the same time, they were heartened by the topics Mr. Reagan chose to address and said they showed that the president recognized that the rights of minorities and women, as well as his record in those areas, would be critical issues in his bid for re-election.

At a meeting after the speech, the bar association's section on individual rights and responsibilities voted to draft a point-by-point rejoinder to the president's remarks. Marsha S. Tucker, chairman of the section, said she was outraged by the address because of its "in-truths."

The president really doesn't understand some of the complexities of our society," said Andrew Young, the mayor of Atlanta, who preceded Mr. Reagan on the program. "Affirmative action is not giving people a special break, it's remedying a handicap of many years."

He went on, however, to praise the tenor of the president's speech, in which Mr. Reagan spoke of his "unshakable commitment to eliminate discrimination against blacks, women, the handicapped and other minorities."

"This kind of tone is good," he said. "Now all he has to do is make the record match his statement."

Others criticized Mr. Reagan's assertion that he had appointed more women to top policy positions than any other administration in history. They noted in particular the low number of women he has named to the federal judiciary, while acknowledging his appointment of Sandra Day O'Connor to the Supreme Court.

On numerous occasions, Mr. Reagan's speech was interrupted by applause. Those opposed to the administration's policies cautioned, however, that the audience's reaction should not be construed as an endorsement of Reagan's stances.

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Not Yet a Noble Cause

So great are the powers of a perfidious president that Ronald Reagan may yet wangle from Congress the legal fig leaf he needs to continue his not-so-secret war against Nicaragua. Distaste for that adventure is as much visceral as reasoned. It deeply affronts the American sense of fair play for a big country to promote the subversion of a tiny neighbor.

Still, even those who oppose the covert war do not take issue with its avowed original aim: to keep the Nicaraguans at home. We was dissent over the means that impelled the House to vote to call off the CIA war.

But that verdict deserves to prevail also because of the evidence that Mr. Reagan's aims are much broader than first advertised—making his ends as excessive as his means.

The president insists that all he asks of Central Americans is a decent respect for sovereign frontiers and a regional commitment to democracy and human rights. The first purpose is surely legitimate. And the second is desirable. But Mr. Reagan's recent words leave the clear impression that the desirable is essential, that he will not call off the war until Nicaragua is a North American democracy.

Managua's Marxists must not only refrain from exporting revolutionary arms to El Salvador but, he says, keep their democratic promises. After all, they made a "contract" with the Organization of American States, before seizing power, in which they pledged to promote freedom of the press and the other freedoms "that we enjoy here in this country."

Mr. Reagan sounded the same theme, even more sweepingly, in his letter to the Contadora mediators—Mexico, Venezuela, Panama and Colombia. His first requirement for negotiations was "that democratic institutions be established and strengthened as a means to resolve political differences within the Central American states."

This is a most tardy devotion to democracy in Central America. It is also strange coming from an administration that readily makes its peace with congenial rightist dictators in the Western hemisphere and elsewhere. As a demand to be pressed by a naval armada and

CIA saboteurs, it is at best condescending, at worst arrogant. It collides with a long and troubled history that Americans impatiently ignore, true to our colleague James Reston's observation that we will do anything for Latin America but read about it.

No one has better summarized Latin America's colonial legacy than Simon Bolívar, the Liberator, born two centuries ago: "We find that America was denied not only its freedom but even an active and effective tyranny. We have been harassed by a conduct that has not only deprived us of our rights but has kept us in a sort of permanent infancy with regard to public affairs."

When independence came, the new Latin republics looked north for constitutional forms, but it was Jean-Jacques Rousseau and the French Revolution that supplied their header doctrines of unlimited majority rule. Bolívar lived to see turbulence and despotism infect the nations he helped found, prompting this lament: "There is no good faith in America, nor among the nations of America. Treaties are scraps of paper; constitutions, printed matter; elections, battles; freedom, anarchy, and life, a torment."

Yet as if this past were irrelevant, Mr. Reagan invokes the sanctity of contract and asks revolutionaries still in fatigues to act like proper Republicans and Democrats.

He ignores as well America's responsibility for the despotism against which Nicaragua finally rebelled. Only belatedly did the United States assist and try to guide that rebellion. It still has every right to denounce the Sandinist denial of political rights, and to make genuine pluralism a condition of further economic aid.

But the history of U.S. dealings with the Caribbean nations, and all hope for a better future, require an end to this unilateral and lawless war for "behavior modification." It would be damaging even if successful, and only impeaches the president's interest in demanding respect for international frontiers.

Attainable ends need to march with worthy means before this can be called a noble cause.

—THE NEW YORK TIMES.

A Look at the Record

The attorney general, William French Smith, complained in a speech last week in New York that he was not getting a fair break from the press in its coverage of the Reagan administration's enforcement of civil rights laws. The Justice Department is enforcing these laws "as vigorously as any administration ever has," said Mr. Smith, and he filled the speech with statistics to make his case.

Most civil rights groups that have criticized the Justice Department are less concerned with data on new suits than with what they see as a lack of commitment, a reversal of earlier gains and the administration's decision to oppose busing and hiring quotas. They also choose to define the issue in broader terms than the attorney general might, putting such issues as budget cuts, legal services and tuition tax credits into the civil rights category. This aside, the numbers used by the attorney general are worth examining.

He is proud of the fact that the Reagan administration has authorized the filing of three new school desegregation suits — only one of which has actually been filed — during the 30 months it has been in office. This, he says, is one more than the Carter administration undertook during a comparable period. The last Democratic Justice Department did initiate nine school suits in four years, but four of these were filed within weeks of the time it left office. The attorney general did not discuss the fact that his department changed sides or altered earlier government positions in some school cases that had been filed before 1981.

In the area of criminal cases brought against civil rights violators, the administration's record is good. One hundred and nine of these cases have been initiated in 30 months, and four more have been authorized, which is better than any other administration. A comparable figure for the first 30 months of the Carter

administration would be 101. But while statistics on voting rights matters appear good — 163 redistricting plans have been rejected and the department has "taken part in" 49 court cases protecting voters' rights — it is really impossible to compare this performance with that of any other administration, for two reasons: 1) any administration in office when the decennial census data are released will have an unusually high number of cases — the Reagan administration had to review 21,000 election law changes — because all political boundaries are redrawn at that time; and 2) in 1975 the Voting Rights Act was amended to cover four additional states and parts of six others. Texas alone accounted for many of these cases.

It is true that 20 new public employment cases have been brought since 1981 — the exact number brought in a comparable period in the Carter years — but it is the objective of these suits, individual relief and guaranteed access to a pool of applicants rather than guaranteed jobs for minorities, that troubles civil rights groups. And while it is commendable that the Reagan administration has obtained the largest money settlement in history, in a Virginia discrimination case, where is the notation that this suit was brought by the previous administration? As for housing discrimination cases, one can only look at the attorney general's figures and ask, "Compared to what?" Sure, the department initiated six new cases and participated in three more. But previous administrations had averaged 29 new cases brought each year.

Statistics are useful devices, but they must be evaluated carefully and in context. The attorney general has not distorted the figures he cited, but readers should keep in mind the comparisons he did not make and the policy changes that are the real bone of contention.

—THE WASHINGTON POST.

Other Opinion

Balance in Central America

The talks that the U.S. special envoy, Richard Stone, is holding with Salvadoran guerrillas and Sandinist leaders give some grounds for hope that a peaceful solution may be found to the developing crisis in Central America. But for those who believe that political power is to be gained and retained by armed force rather than through the electoral process, willingness to talk may be perceived as weakness — unless it is firmly backed not only by a show of military strength, but also by evidence that

the political will exists to apply it when all other alternatives have failed.

It is not enough to support anti-Marxist forces; the United States must be seen to be backing those who offer an improvement on preceding regimes. The difficult balance that the Reagan administration is trying to maintain between the demonstration of military strength and willingness to negotiate deserves more sympathetic assessment both in the United States and in Western Europe.

—The Times (London).

FROM OUR AUG. 3 PAGES, 75 AND 50 YEARS AGO

1908: A Pipeline Pipe Dream

LONDON — It is within the realm of possibility that within 10 years Europe will be supplied by gas for both illuminating and power purposes sent direct through a pipeline from Oklahoma. Alexander A. Ebersen of St. Louis, Missouri, figures this idea is feasible. "My clients who have immense leases in Oklahoma and who supply the Standard Oil Company with oil, have made up their minds to pipe their gas, if it is at all possible, to Europe," said Mr. Ebersen. He continued: "The gas does not cost anything and we see no reason why it should not pay to lay a pipeline from Oklahoma to New York and then across the Atlantic. It may not be many years before London, Paris and Berlin are illuminated by Oklahoma gas."

1933: World Fair 'Decadence'

CHICAGO — All is not progress in Chicago's World Fair, according to Mayor Edward J. Kelly, who has declared the unclad hip-shaking dancers of the "Streets of Paris" decadent. Nothing could have pleased the sideshow people better, following Judge Joseph B. David's less flattering epithets. When Sally Rand, who had been doing a so-called Parisian dance, was brought into his court on a charge of indecency, Judge David said: "She's not indecent. The human form is old stuff. Anybody who pays real money to see a nude dancer is a boob." He publicly she received made other dancers jealous. "What about me?" demanded one performer. "Trying to pass me up as decent, will they? Why, I'm scandalous."

—The Times (London).

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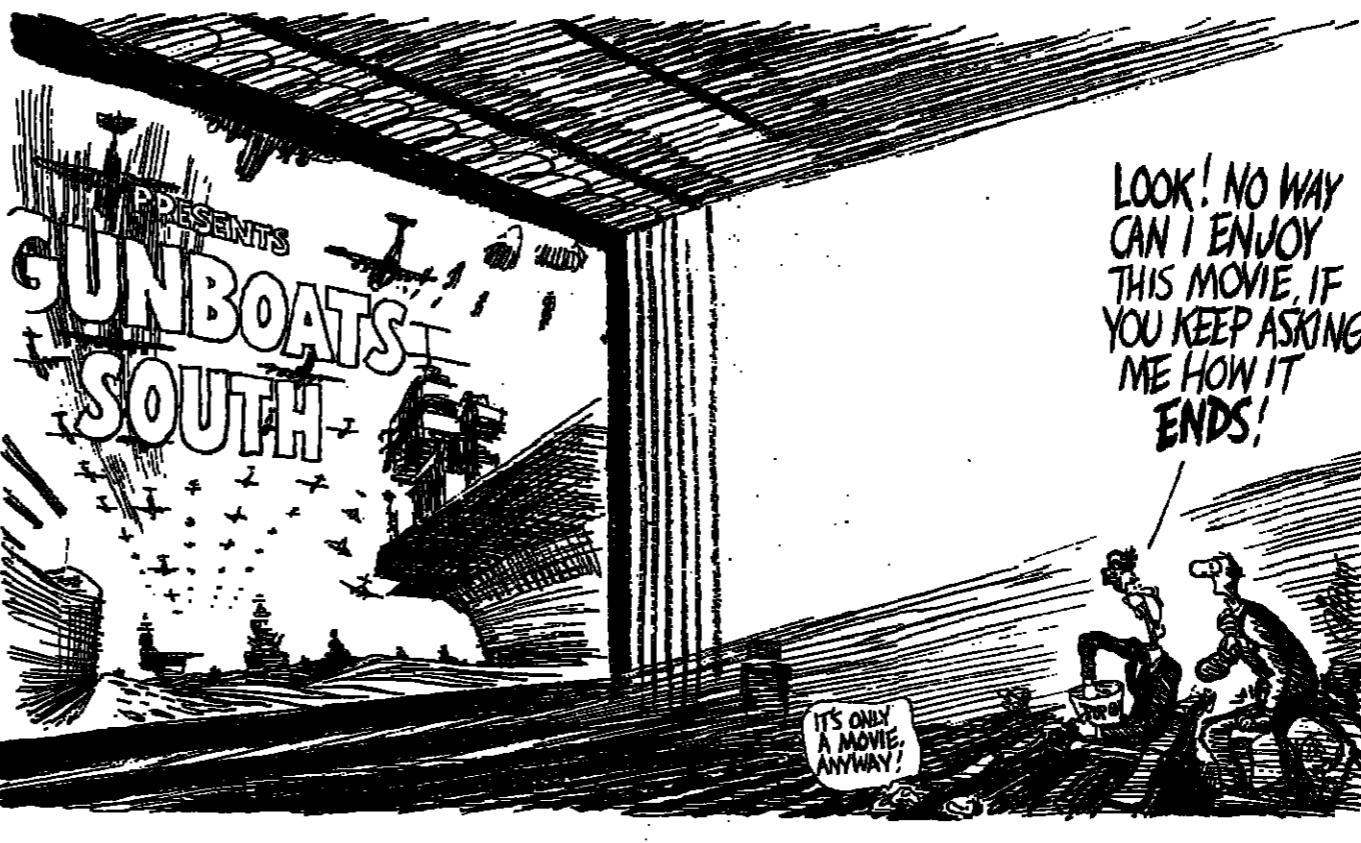
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Brinkmanship Is Fine — When It Works

By Ernest Comine

LOS ANGELES — If President Reagan could put himself into the shoes of the average citizen, he would have no trouble understanding why people are confused and worried about the forthcoming U.S. military maneuvers in and near Central America that will involve two aircraft carriers, a battleship and up to 4,000 troops.

Actually, there is a good case for a demonstration of U.S. force in Central America — provided the possible consequences are thought through ahead of time.

For a long time now Cuba has been a Soviet military base. Fidel Castro's Soviet-equipped armed forces are the most powerful below the Rio Grande. Most of the time, in fact, with U.S. air and naval units off protecting places like Japan, the Middle Eastern oil fields and Western Europe, the most powerful armed forces in the Caribbean are not American, but Cuban.

Key Sandinist leaders in Nicaragua have stated plainly that their revolution is for export, that it is a "revolution without boundaries." President Castro has made plain his own determination to make Central America safe for socialism — by which he means a brand of Marxism that is fundamentally anti-American and pro-Soviet.

Cuban military advisers and Soviet-made arms showed up in Nicaragua long before Mr. Reagan became president, and long before U.S.-supported counterrevolutionaries began launching attacks from Honduras.

Latelly, the Cuban military role has grown. According to U.S. intelligence, a half-dozen Soviet-bloc ships have shown up at Nicaraguan ports in the last few weeks to unload tanks, artillery, rockets and other arms. An additional 1,000 Cuban military advisers are said to have arrived. A top Cuban general has been seen in Nicaragua. Several

more Soviet-bloc ships are on the way to Nicaraguan ports; the Pentagon believes they are bringing more Soviet weapons.

All of this has sparked concern in Washington that Mr. Castro may be contemplating a direct military strike in Central America, comparable to the Cuban troop deployment in Angola — a development that could force direct U.S. military counteraction.

There is an understandable desire in Washington to cause second thoughts in Havana and Moscow, as well as in Managua. Hence the maneuvers.

The display of force to achieve a political goal is one of the oldest tools of diplomacy. And it frequently works. To quote a study by the Brookings Institution of the U.S. and Soviet records in this regard, "Discreet uses of the armed forces are often an effective way of achieving near-term foreign-policy objectives."

Indeed, the evidence so far suggests that the U.S. maneuvers in Central America, together with pressure from anti-Sandinist insurgents, had a positive effect even before the maneuvers got under way.

The Sandinists, who previously insisted that they would hold talks only with Honduras, reversed two weeks ago and announced a willingness to participate in the sort of broader international talks proposed by Mexico, Colombia, Panama and Venezuela — the Contadora group.

Mr. Castro, also changing his tune, now professes a willingness to halt Cuban military aid to Nicaragua and withdraw Cuban advisers if the United States will also stop sending arms and advisers to the area.

The Cuban and Nicaraguan leaders were not suddenly overcome with a fit of good will. They

were responding to U.S. military pressures — pressures that have reinforced efforts of the Contadora group to get peace talks started.

The trouble is that the nervousness may not last. The Russians and Cubans may call the U.S. bluff by becoming more directly involved in Nicaragua and by stepping up their political and material support of the guerrillas in El Salvador.

Then what does the United States do? Blockade the area? Shoot up military bases in Nicaragua? Or back off?

If Mr. Reagan and William P. Clark, the president's national security adviser, have not thought through such questions and decided that they are prepared to deal with them, the military exercise is a mistake, and a dangerous one.

Blockades are difficult to pull off. U.S. air strikes would trigger worldwide condemnation. Yet retreat in the face of a communist counterbluff would demolish U.S. prestige in the hemisphere. And the Russians, having found Mr. Reagan to be a paper tiger in his own part of the world, might be sorely tempted to test his nerve elsewhere as well.

Unfortunately, intelligent citizens have good reason to wonder if White House decision-makers have looked much beyond square one. At his news conference last week the president was at pains to emphasize that the maneuvers are routine.

Both before and after his news conference, however, other administration sources made plain that the maneuvers were intended to underscore the administration's determination to counter Cuban arms and subversion by whatever means it takes. Such an appearance of disarray and irresolution makes it less likely that the display of force will achieve its purpose.

Los Angeles Times.

U.S. Pressure Will Only Strengthen Latins' Resolve

By Carlos Fuentes

LOS ANGELES — The Nicaraguan revolution is celebrating its fourth anniversary under a gathering storm. Gunboat diplomacy, displays of military hegemony, the invasion of Nicaragua by mercenary forces sponsored by Washington, the militarization of Honduras — all this is causing incalculable political stress throughout the Latin continent, when considerations about Marxism come after consideration of nationalism and cultural identity.

The three modern Latin American revolutions — in Mexico, Cuba and Nicaragua — have, for all their national differences, two things in common. First, they have all been attacked politically and militarily by the United States. Second, all have survived because they felt harshly compelled by such attacks to create an army loyal to the revolution.

Clearly, the stage is being set for a confrontation meant to overthrow the Sandinist government and demonstrate Washington's version of the Brezhnev doctrine — that no Central American country can ever leave the United States' sphere of influence.

In this view, Nicaragua, El Salvador and Guatemala are to remain forever under United States suzerainty, the Western counterparts to Poland and East Germany. This is what the struggle is really about.

It would be ironic indeed if, to preserve its client states in Central America, the United States had to do what the Soviet Union has until now avoided in Poland: use its own armed forces against the unruly nation. How Washington must long for this, just as General Wojciech Jaruzelski did for Moscow.

In my own country, Mexico, the triumph of the revolution came in 1911. Four years later, its leaders were fighting the counterrevolution

of General Victorino Huerta (our Jaruzelski) and U.S. Marines were occupying Veracruz. It was not until 1917 that a Constitution was promulgated and elections held. And only in 1946 had Mexico achieved sufficient stability to elect a civilian president, Miguel Aleman Valdes. But there shall be no Jaruzelski in Nicaragua.

The three modern Latin American revolutions — in Mexico, Cuba and Nicaragua — have, for all their national differences, two things in common. Where this did not happen — Guatemala and Chile — the old army served U.S. ambitions by bringing down elected leftist governments. So much for Washington's respect, past or present, for electoral processes in Latin America.

Everyone knows that if the rightists counterrevolutionaries fighting in the north of Nicaragua were to reach Managua, they would not create a democratic regime. They would first stage a bloodbath and then restore the former dictatorship. By then, no one in Washington would give a pound of sugar for the destiny of Nicaraguan democracy. The counterrevolutionaries would reverse the social and juridical changes wrought by the Sandinists — such as the literacy campaign, health care programs and laws protecting political parties. Nicaragua would fall again into the pit of world indifference and internal oppression, and would again be a model servant of the United States.

This will not happen. Make no mistake about it: An American blitzkrieg or surgical operation against Nicaragua is no longer possible. The people and the army would fight inch by inch, take to the mountains and jungles and hold down U.S. forces for years, draining resources and permanently damaging both relations between the United States and the rest of Latin America, and between the people and the government of the United States.

This would be a great victory for the Soviet Union. Each superpower, after all, has the Afghanists at its disposal.

The solution lies elsewhere. It has been identified by the leaders of Mexico, Panama, Venezuela and Colombia, by the prime ministers of Spain and Sweden, by the presidents of France and Brazil, by large sections of Congress and public opinion in the United States and now by Daniel Ortega Saavedra, the junta coordinator in Managua. The solution is diplomatic; it is political and it must be negotiated. The real challenges in Latin America concern questions of nationalism and self-determination, social justice and cultural identity. Washington should not fiddle around with gunboats.

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'Ring' Struggles to a Close

By Donald Macmillan
New York Times Service

AYREUTH, West Germany — It has not been one of the great weeks in Bayreuth history. The combination of nearly unbearable heat and the new "English" production of the "Ring of the Nibelungs," which never seemed to know where it was headed or why, made for long, stifling evenings in the Festspielhaus that Wagner built to house his music dramas.

However, even inferior performances of the "Ring" must end. With the premiere Saturday night of "Götterdämmerung," the new cycle of four works that the Bayreuth Festival mounted to commemorate the 100th anniversary of Wagner's death finally struggled to a close.

The production, which was entrusted to the all-British team of Sir Georg Solti, Sir Peter Hall and William Dudley as conductor, director and designer, respectively, proved to be acceptable musically, if uneven and flawed.

But the director and his designer earned the fiercest, most sustained jeering that I have ever heard in a theater. Even when they joined the entire company on stage for a massed bow, the audience would not allow them to hide. The whole stage full of people was booted until the pair responsible for the staging appeared in tandem to take their medicine.

There was justification for this, but also some irony, because "Götterdämmerung" actually turned out to be the most satisfactory—or anyway the least muddled—work of the cycle. From beginning to end, it hewed to an old-fashioned pastoralism in its sets and a faithful if not quite literal approach to the libretto.

The Norms played at weaving actual strands of rope. The Rhinemaidens splashed in a shallow wading pool of genuine water. Real fire flicked at Siegfried's funeral pyre, and Brünnhilde rode into the flames on what appeared to be a very large hobbyhorse.

The whole production, however, has been in trouble from the start. The opening night's "Der Rheingold" seemed unfocused and incoherent. "Die Walküre" took stylistic confusion yet another step, and "Siegfried" came and went without the appearance of any vital connecting thread. It is as if Hall, as director, having decided against imita-

ting all recent interpretations of the "Ring," found himself with an empty bucket.

The first act of "Die Walküre" continued, like the "Rheingold," along traditional paths. But then came Act II, and the production lunged crazily forward to the stark Bayreuthian abstractions of the 1950s and '60s. Similarly, for two acts, "Siegfried," stayed in what used to be considered standard Wagner opera land, with representational settings. In the last act, however, the production inexplicably leaped to the bare-stage austerity and symbolism that Wieland Wagner knew how to exploit so well and with which he revolutionized opera productions 30 years ago.

Hall seems to have no more interesting ideas than to throw together in jarringly juxtaposition styles drawn from a century of Wagnerian history.

Even in the final hours, scenes for "Götterdämmerung" were being restaged in an effort to minimize confusion and clarify the staging. The leading tenor, Reiner Goldberg, had an attack of nerves and dropped out, forcing the willing but generally unable Maestro Jung into the role of Siegfried. That problem was never solved, although Jung sang ably enough at rare moments, when his music took a lyrical turn.

Orchestrally, there were many rough moments as the blaring-toned horns in "Götterdämmerung" must have been suffering from the heat even more than the audience. And vocally, this is not a vintage period for Wagner, a fact quite evident even in the acoustically flattering surroundings of the 2,000-seat Festspielhaus.

Nevertheless, the conductor, the leading singers and the marvelous Bayreuth chorus were all awarded thunderous ovations after the final curtain.

Hildegarde Behrens was deafeningly cheered for her vocally true and intelligent portrayal of Brünnhilde. Behrens, who was making her debut here in this "Ring," emerged as the new darling of Bayreuth. She may not have the endless column of dramatic-soprano sound that has been the hallmark of great Brünnhildes of the past, but in this Hall she is, at least, she is all but perfect.

Elsewhere, the brightest spots in the cast were Anja Harteros's mountainous and brutal Hagen, Hermann Bech's nasty Alberich, and Brigitte Fassbender's full-voiced Waltraute. Bent Norup, as the ineffectual Gunther, was properly pale and characterless.

If some of the performances seemed enervated, there were plenty of excuses. It has been a broiler of a summer; temperatures stayed in the 90s Fahrenheit (30s centigrade) throughout much of the week, and, according to a local newspaper report, went as high as 104 inside the Festspielhaus because the idea of air conditioning has not been allowed to penetrate the sacred precinct.



Paul Stewart at Black American West Museum in Denver.

Denver Museum Preserves Records of Black Pioneers in West

By William E. Schmidt
New York Times Service

DENVER — When Paul Stewart was growing up in Clinton, Iowa, he liked to play cowboys and Indians with his friends, even though they always made him part of the Indian.

"They'd say to me, 'Paul, there ain't no such thing as a black cowboy,'" he recalled recently. "And I figured they must be right. I never could find a picture of one in any of the books at the library."

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tions, is now in what Stewart calls the Black American West Museum, two cramped rooms in the basement of a city-owned building on Denver's east side.

"Even now I don't think most black kids, or white kids either, have any conception of the black role in settling the West," said Stewart, a self-taught curator who is a barber by background and runs a barbershop on a guard for a Denver-based airline. "In the West and in the books, the cowboys are all white. That's why what we are doing here is so important."

Irving Watts, a young artist from Boston who came West to work with Stewart, agreed. "The first time I saw a black cowboy was when Sammy Davis Jr. played a part on a television series," said Watts. "I thought it was a joke. Who'd ever heard of a black cowboy?"

Stewart has maintained the museum, in one place or another, for 12 years. Over that

period, he said, it has received limited assistance from federal and state arts and historical groups. In addition, the International Business Machines Corp. and the Rockwell International Corp. have given grants.

But the museum's survival depends for the most part on the work of Stewart and about 150 volunteers who help catalog old newspaper clippings, more than 15,000 photographs and some of the 6,000 other items collected over the years from black Western families.

It is not easy work. The museum has no money for microfilming or restoration work. The building in which it is situated lacks any real security system, and there is no temperature or humidity control to help preserve the artifacts.

Cardboard boxes full of material are scattered around the basement museum, mostly stacked beneath the folding tables where everything from old radios and washboards to a Pony Express mail pouch is on display.

'Happy Family': Splendid Cast

By Sheridan Morley
International Herald Tribune

LONDON — Giles Cooper's "Happy Family" (at the Duke of York's) is one of those "lost" comedies of the English theater that, like John Whiting's "Penny for a Song," are much beloved by actors and directors but have a habit of dying at the box office. It is therefore good to report that Maria Aitken, launching herself simultaneously on new careers as director and producer, has come up with what looks like the first workable revival, certainly vastly better than the one by the Denisons in 1967 or the original production at Hampstead a year earlier.

The problem remains, however,

that Cooper (who was killed opening the wrong train door after a Dramatists Club dinner in 1966, an accident as absurd as and considerably more tragic than the one outlined in his, his last play) was essentially a radio writer, and this Peter Pan-ish parable about the English middle classes refusing to leave the nursery even for marriage still seems better placed in the middle of a Radio 4 afternoon than on a West End stage.

But the casting is splendid (Ian Ogilvy as the pompous stockbroker brother reading "Squirrel Nutkin," Angela Thorne as the infinitely bossy Thatcherite older sister and Stephanie Beacham as the one who still believes in Father Christmas), and when James Laurenson as the only other member of the cast

breaks into the charmed family circle with news that there are grown-ups in the outside world, we should be on a collision course. But somehow Cooper is content to leave his play, like his aptly named Solstice family, at a standstill, unable to go back to Dodie Smith or forward to Joe Orton. The result is a certain amount of fey whimsy where you

THE LONDON STAGE

hope for an occasional shiver down the spine. Still, Aitken's production wonderfully evokes that lost world of missing dominoes and nursery teas, and I long to see what she and her new company will do when they get their hands on a stronger play.

From Feydeau's "Hotel Paradiso" across almost a century to John Cleese's Fawlty Towers, bed-and-breakfast establishments have been a natural home for farce: a lot of stairs, people carrying trays at high speed, unlimited possibilities for mistaken identities and brief sexual encounters all add up to the chance of a good giggle. At the Tricycle, Trevor Rhone's "Smile Orange" starts promisingly enough. We are in a crummy Jamaican airport hotel where the receptionist is contemplating running off to New York with one of the wealthier clients and where the head waiter runs a kind of gigolo-training establishment on the side.

The difficulty with Rhone's play is that it has nowhere to from the manic intensity of its opening, and even that is a little hard to understand given the thick Jamaican accents of a talented cast of five under Rufus Collins's direction. If we had been able to see even one of the clients whom the staff are forever trying to con, corrupt or save from drowning in the hotel pool, we might have had a play. As it is, the old game of the get-the-guest becomes hopelessly one-sided when all we see of the tourists are a few strofoam models. Anton Phillips is in fine form as the assistant-manager forever unable to quell mutiny in the kitchens, and Cassie McFarlane never draws breath as the receptionist with a telephone apparently growing out of her ear. As a half-hour TV sitcom this might have been about right; as a play, "Smile Orange" is distinctly sketchy.

To the Prince of Wales has come

Raymond Burr, rising with one slow bound from his "Ironside" wheelchair and starring in a tube-train thriller of such mind-bending inadequacy that one assumes he must have crossed the Atlantic for some altogether different purpose and that he's been trapped in it. I could understand flying from a country to avoid "Underground"; flying here to do it is one of those mysteries best left to the kind of low-budget American television detective caper in which Burr first made his name.

The rest of a starry cast (Alfred Marks, Peter Wyngarde, Gerald Flood) give performances that suggest they are in summer stock.

Erosion Is Eating Away At Nepal's Fabled Hills

By William Claiborne
Washington Post Service

KATMANDU, Nepal — The foothills of the awesome Himalayas are slowly but inexorably being washed away in a process that could ultimately transform this beautiful land into a mountainous desert.

Unchecked destruction of forests and the resultant soil erosion have already denuded vast areas of the mountain kingdom of Nepal, causing irreversible ecological damage.

Twenty years ago nearly 60 percent of Nepal's land mass was blanketed by thick forests. But that figure has dwindled to 19 percent, according to estimates made by the State Planning Commission, and it continues to decline despite recent forestry plans and other efforts to curtail the felling of trees.

If the degradation is not reversed, Nepalese environmentalists say, the hills that cover more than half the country will be grotesque, sunbaked pyramids by the end of this century, and the wasteland will not be reclaimable.

"Now tourists come here because of Nepal's unspoiled beauty," said Karna Saka, secretary general of the Nepal Nature Society and head of the Nepal Heritage Society. "In 20 years they will be drawn here to see what extraordinary ruin man has done to nature."

Concern over deforestation is not new in Nepal, but now there is a heightened sense of urgency that has prompted environmentalists to propose increasingly drastic remedies to save the mountain forests.

The most controversial of these is a draconian measure advanced by Mr. Saka and other Nepalese ecologists to resettle forcibly more than 900,000 mountain dwellers from the hillsides of northern Nepal to the fertile lowlands in the Terai region in the south.

Reflecting the new level of alarm in a growing segment of the environmental community, Mr. Saka said, "We have to follow certain doctrinaire policies, and we have to be content with dogmatic adherence. There is no time left for a cautious approach."

Under the resettlement plan, which is opposed by government environmentalists, all those in the highlands who live on slopes steeper than 30 degrees — about 7 percent of Nepal's population — would be declared to be living on nationalized land and then moved 100 miles (160 kilometers) to the south, where intensive agricultural programs would be offered.

Increasing numbers of mountain dwellers have been migrating to the Terai anyway, Mr. Saka noted, and the scheme would merely institutionalize the phenomenon and make it policy.

The proposal was born out of a worsening of the vicious circle of socioeconomic and ecological

causes and effects that has plagued Nepal for years, Mr. Saka said.

Chief among the problems is wood — the poor man's fuel — which provides 85 percent of the country's heat and cooking energy.

With the population at 14 million and growing at 2.4 percent annually and the per capita income at only the equivalent of \$120 a year, the demand for fuel wood is constantly increasing as the supply shrinks.

Moreover, environmentalists say, increasing numbers of mountain dwellers are living as squatters on forested land and cutting trees to grow corn and potatoes on terraced plots that will neither retain soil nor adequate drainage.

When the monsoon rains come from June to October, the topsoil is washed away and massive landslides occur, uprooting more trees and sometimes laying waste to half a hillside. The mountain dwellers move on to squat elsewhere, and the process is repeated, Mr. Saka said.

Compounding the problem is a constantly growing livestock population in the hills; about 75 percent of the fodder for Nepal's 10 million grazing cattle comes from the forest, according to the environmentalists.

"Mountain people have very little knowledge about ecological balance," he said. "All they know is that they are hungry and need to find food and feed. So they eat wherever they want."

The Terai region, which once was densely forested, has been largely denuded and forest officials estimate that in 15 years it will have no commercial forests.

The Nepal Heritage Society estimates that the Terai now has about a million acres of unprotected land that can be used for planting food grains, with a potential capacity of producing 3,400 pounds (about 1,540 kilograms) of rice and 440 pounds of lentils per acre each year.

Under the resettlement scheme, the Himalayan mountain people would be resettled in these areas and given assistance in intensive farming to increase Nepal's annual growth rate in food grain production, which is now 7.5 percent.

Government conservation planners argue that apart from the enormous social dislocation such an extreme step would cause — not to mention the logistical complications and huge costs — resettlement of the mountain dwellers would merely shift the ecological problem from one area that is being damaged to another that is trying to recover from environmental degradation.

It is bitter medicine, but it is, most Western economists agree, what the patient needs. Portugal has been battered by the world's recession. Its balance-of-payments deficit has been steadily mounting and reached \$3.2 billion last year. Its foreign debt is now an unwhole-

some \$13 billion. And its agricultural production has slumped so much that it imports, directly or indirectly, more than half its food.

Things have become so bad that the government has been forced to dip into its large gold reserves, a legacy from the Salazar dictatorship. Considered something of a symbol of national well-being and independence, the reserves were not touched by earlier governments.

Without an emergency program of tough austerity measures, however unpopular they may be, Portugal was headed for bankruptcy within two years, the prime minister said two weeks ago.

For Mr. Soares, a normally ebullient and optimistic man, a sort of Hubert Humphrey of Portuguese politics who easily positioned himself to return to power after he was dismissed as prime minister in 1978, it was something of a *cris de cœur*.

His campaign slogan was "100 measures for 100 days," conjuring up visions of Franklin D. Roosevelt's whirlwind of legislation in the opening days of his administration. The first moves came later than many expected, a result of detailed negotiations with the coalition's junior partner, the Social Democrats, whose leader, Carvalho Mota Pinto, became deputy prime minister and defense minister.

Mr. Soares' government did not take office until June 9, and the occasion was marked by a transportation strike called by the Communists, the third-largest political grouping, to show displeasure over some of the concessions Mr. Soares made in the negotiations, especially in the area of labor.

But since taking office, Mr. Soares has moved swiftly and decisively, most observers believe. The

most startling of all, the government won parliamentary approval for a law to allow private enterprise to re-enter the banking and insurance fields and the cement and fertilizer industries, all of which were nationalized during the 1974 revolution. Similar measures were voted through four times by the military Council of Revolution, dissolved last year under a constitutional revision.

Until Parliament is back in session, Mr. Soares has won a limited right to rule by decree.

Iraqis Are Donating Jewelry to Pay War Bill Put at \$1 Billion a Month

By Herbert H. Denton
Washington Post Service

BAĞDHAD — A standard feature of the evening television news program here these days is footage of crowds lining up to hand over their gold rings, bracelets, necklaces, coins, cash and bullion to help pay for Iraq's war with Iran.

Several times each week, as President Saddam Hussein receives some donors at his palace, he especially praises the women. "Great Iraqi women, what can I say to you? After three years of offering your beloved, you have come now to offer your gold jewelry for the battle."

For an Arab woman, gold is a symbol of her husband's esteem and her insurance policy in the event of his death. The indications are that these treasures have not always been given up willingly. Uniformed soldiers have been soliciting door to door, and operations in the ruling Arab Ba'th Socialist Party have been putting pressure on people to contribute, diplomats and Western businessmen here say.

At any rate, the two-month-old campaign will not make much of a dent in Iraq's staggering war bill, which is estimated by bankers and diplomats as being at least \$1 billion a month.

Government spokesmen estimate that the drive has raised more than 30 tons of gold and millions in dinars, Iraq's currency.

To improve exports and gain the confidence of bankers, the government has been devoting the escude 12 percent against the currencies of its major trading partners. Portugal may only come when one is able to wreck the other's economy.

Iraq's foreign minister, Tariq Aziz, calls it a "war of economic attrition."

Deputy Prime Minister Taha Yassin Ramadan has called the

INSIGHTS

Reagan's Moves in Central America Make Atlantic Partners Uneasy

By James M. Markham

New York Times Service

BERLIN — Across Western Europe a mood of uneasiness began to take hold last week, a fear that the Reagan administration was moving toward a military confrontation in Central America.

There is not yet a crystallization of alarm or protest — nothing resembling the sustained outcry that accompanied the U.S. intervention in Indochina — but in some West European capitals, officials are worried that a military flare-up in Central America could put new strains on the Atlantic alliance. Gunboat diplomacy that went from bluffing to shooting would likely draw new demonstrators into the streets and bring into sharper focus the lingering issue of the Reagan administration's reliability in managing world affairs.

These anxieties probably run deepest in West Germany, where Chancellor Helmut Kohl's

conservative government is already bracing for a "hot autumn" of protest against the deployment of U.S. medium-range missiles. Mr. Kohl is almost desperately eager for a Soviet-U.S. accord in the Geneva arms talks, which might defuse the planned demonstrations. But a shooting war in Central America would severely undercut the chancellor's uphill defense of Washington as being interested in negotiated, not military, solutions. "The muscle business is not going to be immune from what's happening in Central America," a U.S. diplomat noted.

At a summit last month in Stuttgart, the 10 nations of the European Community took their distance from the Reagan administration by declaring that Central America's problems "cannot be solved by military means, but only by a solution springing from the region and respecting the principles of noninterference and the inviolability of frontiers." This, broadly, holds as an omnibus West European position, but the distance from Washington has grown

since the dispatch of a U.S. flotilla to Central America's Pacific coast. So far, though, most governments have preferred to express their qualms privately to Washington, and not to embarrass President Ronald Reagan at a delicate moment of brinkmanship.

Opposition Critics Are Vocal

While governments bite their tongues, opposition figures have voiced sharp criticisms. A leftist Italian daily, *La Repubblica*, said the Reagan administration "is distractingly slipping into the quagmire of a Vietnam." In West Germany, former Chancellor Willy Brandt, a Social Democrat, declared that war could explode in Central America "within days or weeks" and Karsten Voigt, the party's foreign policy spokesman, called upon the Kohl government to speak out as forthrightly against U.S. interference as it does against Soviet involvement in Afghanistan and Eastern Europe.

The government rebuffed the Social Demo-

critics' suggestion, but, overall, there is little stomach in West Germany for the use of force to solve problems, as the country's queasy and wavering response to Britain's retaking of the Falkland Islands demonstrated last year. The feelings of Mr. Kohl's Christian Democrats about Latin America are conditioned, too, by their intimate ties to beleaguered sister parties there. The chancellor is personally close to José Napoleón Duarte, the Christian Democratic former president of El Salvador, who was in Bonn earlier this month. To keep pressure on El Salvador's behind-the-scenes military leaders, Bonn is not sending an ambassador back until a firm date for new elections is set.

Reaction elsewhere runs from supportive in Britain, where Prime Minister Margaret Thatcher remembers Washington's critical support over the Falklands, to something closer to suppressed outrage in Spain. In the House of Commons, Mrs. Thatcher defended Mr. Reagan's policies and insisted that the United States was

free to hold military exercises in Latin America without informing its allies. The opposition Labor Party, by contrast, issued an "emergency resolution" that condemned Washington's latest moves as a threat to peace.

France Moderates Position

The British press split along predictable lines, too. "The barrage of criticism descending on President Reagan's head over Nicaragua is undeserved," commented the *Daily Express*, a pro-Conservative, general-circulation tabloid. "He is an appallingly difficult task. If he allows Nicaragua to subvert El Salvador, where will the stop? This is America's backyard." But The *Guardian*, a left-of-center daily, took issue with the designation of Henry A. Kissinger, the former secretary of state, to head a bipartisan commission on Central America. "He has always viewed the hungry and despairing as pawns in a global chess game," said The *Guardian*.

France's Socialist government has retreated somewhat from its earlier, militant criticisms of the Reagan administration's Central American policies. In Rio de Janeiro last week, Claude Cheysson, minister for external relations, confined himself to the suggestion that Central America should be "demilitarized." One cause for France's muted position is its own military support for the Chad government of President Hissène Habré, which confronts a Libyan-supported rebellion. Even so, Jacques Huizinger, the Socialist Party's foreign relations spokesman, condemned the Reagan administration's "destabilization plan" aimed at Nicaragua and said, "One cannot have a different position on Afghanistan and Nicaragua."

Felipe González, Spain's Socialist prime minister, made it clear on a visit to the Contadora nations last month that he considers the United States to be playing a negative role in the region. But his government has refrained from specific criticism of Washington's latest steps.

A Model for United States? Japan's Education Method

(Continued from Page 1)
have begun to look so closely at that country's education system.

Since the period just after World War II, the proportion of students going on to high school has soared to nearly 95 percent from less than half. More than 90 percent of Japanese 18-year-olds now graduate from high school, as opposed to 77 percent in the United States.

Nearly two-thirds of all 4-year-olds in Japan attend kindergarten, compared with one-third in the United States. On the other hand, while the number of high school graduates going on to higher education grew to 40 percent from 10 percent between 1955 and 1975, that is still below the U.S. figure of more than 60 percent.

Japanese students spend a third again as many days in school as their peers in the United States, including half a day on Saturday. They consistently score higher than students from other countries in international comparisons. Tests sponsored by the United Nations Educational, Scientific and Cultural Organization in the late 1960s, the most recent major survey of this sort, found that Japanese students outperformed those from every other industrialized democracy in mathematics and science.

The pace of learning in elementary and secondary schools is faster in Japan than in the United States from the earliest grades, even though Japanese pupils must spend a disproportionate amount of time learning the thousands of characters required, say, to read a newspaper. Bruce Vogeli, a curriculum specialist at the Teachers College of Columbia University in New York, examined the curriculums of Japanese elementary and junior high schools in mathematics, science and social studies and compared them with those of the New York City public schools. He found that the normal pace of study in Japanese schools was roughly comparable to "the fast track in a good suburban school system in the United States."

He concluded that Japanese students encountered such matters as long division and percentages as much as a year earlier than their typical U.S. counterparts and that the differences became even more pronounced once students reached junior high school. In the United States, he observed, junior high school mathematics is primarily a review of arithmetic, while in Japan it is oriented toward basic algebra and geometry.

"If the Japanese kid is not ahead of his American counterpart by the end of the sixth grade, he certainly will be at the end of the ninth grade," Mr. Vogeli concluded. "The curriculum is that much richer."

Students Make Comparisons

Japanese students who have spent time in U.S. schools make similar observations. "We were doing things like the multiplication tables that I had learned in the second grade," commented Nobuko Sakai, a 19-year-old student at Sophia University in Tokyo, who spent her fourth grade year in an American school in Greece.

The great difference between the U.S. and Japan is that we cram a great many things into small children," she said. "I had much more free time in the American school."

The same pattern continues at the high school level. In the United States, only the most advanced students take calculus, usually in their senior year. Here a basic form of calculus is routinely taught in the junior year even to students who have no intention of going on to college.

In most U.S. universities, students preparing to become teachers are, as a group, less academically able than their counterparts in other fields as measured by such criteria as Scholastic Aptitude Test scores. In Japan, the reverse is true. Competition for teaching jobs is rigorous, and only students with good academic records need apply. In a country where the average worker is paid less than his American counterpart, teachers are paid more.

"Teaching in primary schools and high schools pays well, and it is one of the safest jobs you can get," said Motoharu Saito, a graduate student at Sophia University who is planning a teaching career.

Rigid System

For all of its unquestioned accomplishments, however, the Japanese educational system is plagued with problems, some of them growing out of the means by which it achieves such a high level of success.

Japanese education is organized around a rigid system of examinations for entrance to high school, college and the job market. While this assures a high level of general competence among those who compete successfully, the "examination hell" takes a high toll psychologically, particularly on those who fail.

Moreover, the examinations, and thus the teaching within the schools, are oriented toward such factual knowledge as the dates of battles in history and formulas in science, putting a premium on memorization rather than creativity and understanding.

The strength of the Japanese education system became the way in which Japan would assure its independence and become a modern nation," said Michio Nagai, a former minister of education.

Mathematics and science, the basic building blocks of technology, have received special em-

phasis in Japanese schools. "There is no formal policy," said Koko Kawamata, a science teacher at the Tanohata Consolidated Junior High School in northeastern Japan. "But the unspoken agreement is that since we have not been as strong as the West in theoretical things, we must work very hard on our science."

Basic to Success

Any understanding of the achievements of Japanese education must begin with the central role that learning plays, and has played for centuries, in Japanese culture.

"Nothing, in fact, is more central in Japanese society or more basic to Japan's success than its educational system," wrote Edwin O. Reischauer, the Harvard professor who served as U.S. ambassador to Japan from 1961 to 1966.

What schools a person went to is more important than what he or she learned. "Academic background is everything in Japan," said Miss Sakai, the Sophia University sophomore. "When you apply for a job, the first thing they want to see is whether you graduated from a good university. Only then do they consider your personal characteristics."

Prestigious government ministries and large companies recruit only from a handful of elite public and private universities. A large proportion of Japanese work all their lives for the same employer, so acceptance at a top university virtually guarantees a good job and economic security.

The most prestigious of all is the University of Tokyo, generally known as Todai, a contraction of Tokyo Daigaku. Mr. Rohlen of Stanford has calculated that although Todai produces only 3 percent of Japan's college graduates, it has accounted for a quarter of the presidents of major corporations and almost all of the top leadership of the Foreign Ministry.

Admission to all the top universities, public or private, is determined entirely by one's score on that particular university's entrance examination. If the son of a farmer gets a higher score on the Todai exam than the child of the chairman of a large company, the farmer's child will get the place.

The Japanese system of university admissions thus is marked by an intensity and rigidity sharply different from the system prevailing in the United States.

A good score on the Scholastic Aptitude Test is usually important in gaining admission to a top-rank U.S. college. But high school grades are equally important, and admissions committees routinely weigh such other qualifications as artistic achievements, family ties to the institution and athletic ability.

Moreover, the U.S. system offers more roads to success. Graduates of undistinguished colleges often find their way to the executive suite. Late bloomers who wait until their 20s to get serious about academics often return to school for more education to prepare themselves for new careers.

A Single Route

In Japan, there is a single prescribed route to success. "Kids who aren't into studying at an early age have had it," observed Lou-Anne Weiser, an American who recently completed two years of teaching in Japanese schools.

Americans view education as primarily the responsibility of states and local communities. The federal government provides only about 8 percent of total expenses for elementary and secondary education, and most of that goes to such special programs as bilingual education or aid to disadvantaged students, rather than to the core academic enterprise.

In Japan, the Ministry of Education, Science and Culture, known for short as the Mombusho, determines the curriculum that each of the country's 25,000 elementary schools, 11,000 junior high schools and 5,000 senior high schools will follow, and it gives each local board of education an approved list of textbooks from which the board can select the titles it will purchase.

Perhaps most important, the Mombusho plays a central role in the financing of education. In 1980, the Japanese spent \$71 billion altogether on public education from the elementary to the university level. Of this \$65 billion came from public funds, with just over half of that from the national government and the rest from local sources. The Mombusho also contributes more than a quarter of the operating expenses of private high schools.

The total expenses represented 8.6 percent of Japan's gross national product; that year, the United States spent 6.8 percent of its GNP on education.

More Hours at Work

With academic credentials so important to their future, Japanese students typically spend more hours than Americans at their studies. This is especially true for ninth graders about to take examinations to determine which high school they will attend and for high school seniors preparing for college entrance exams.

The Japanese school year begins on April 1 and ends the next March. It is divided into three terms with a 40-day summer vacation in July and August and a winter break in late December. This calendar, along with Saturday classes, means that Japanese students are in school 240 days a year, compared with 180 days for students in the United States.

Japanese authorities say that more than half of all students spend more than two hours a day studying after school, compared with fewer than a fourth of students in the United States.

The achievements of the Japanese schools, however, can be explained only partly by the amount of time they consume. Even more relevant is how the time is spent.

Next: *Education and Societal Values*

Who Learns What When

A comparison of the grades at which Japanese and American students learn various subjects.

Japan: first grade
U.S.: second or third grade

Double column addition
Japan: first grade
U.S.: second or third grade

Writing paragraphs
Japan: first grade
U.S.: second grade

Multiplication tables (1 through 10)
Japan: third grade
U.S.: fourth grade

Adding and subtracting fractions (with common denominator)
Japan: fourth grade
U.S.: fifth grade

Calculating percentages
Japan: fifth grade
U.S.: sixth or seventh grade

Formal research with footnotes
Japan: not taught
U.S.: eighth or ninth grade

Writing creative essays
Japan: optional
U.S.: ninth grade

Computer use
Japan: not taught
U.S.: ninth grade

Sine and cosine
Japan: 10th grade
U.S.: 12th grade

Basic calculus
Japan: 11th grade
U.S.: 12th grade (advanced students)

Need-to-Believe Theory Is Challenged in Study Of 'Meaning Systems'

By John Dart

Los Angeles Times Service

LOS ANGELES — One of religion's supposed benefits is that it provides a comprehensive world view to give life meaning.

As Christianity and Judaism lose ground in the secular age, some influential sociologists have theorized, other "meaning systems" necessarily will be adopted by people, even if they believe more humanistic than religious.

But that theory, which has been a working assumption for many social scientists studying religious phenomena in this century, is being challenged.

"Perhaps the whole idea that all people have to have integrative meaning systems is erroneous," Reginald W. Bibby, a sociologist, says in the current issue of the *Journal for the Scientific Study of Religion*.

Not Deeply Committed

Writing in the journal about a survey of Canadians' beliefs on a variety of subjects in 1980 and 1981, Mr. Bibby, of the University of Lethbridge in Alberta, found that nearly 60 percent said they were not deeply committed to Christianity or some other religion.

Trying to find the iceberg tip of an alternative meaning system, Mr. Bibby asked questions to identify some possible "cultural themes" through which people might filter their views and give coherence to their lives. He tried feminism, paranormal beliefs, mysticism, "positivism" (a kind of thoroughgoing skepticism) and "familiarism" (views with family values paramount). Of those uncommitted to traditional religious, family-oriented responses were made by 21 percent and other cultural responses got 7 percent each.

Mr. Bibby speculated that most people might shape their views through "general biographical goals, such as well-being, affluence and success," rather than interpreting or striving to understand events through a particular meaning system.

Mr. Bibby said that he could not name a psychological theory that says this very thing, but he conceded that "general biographical goals" would seem to be the most logical description of a person's focus on life today, especially regarding the popular emphasis on self-improvement and individual desires in North American society.

Resource Pool

People playing their different roles in life may often find religion or another world view to be one part of a resource pool, just as many people utilize the church or temple for weddings and other rites of passage, Mr. Bibby writes.

"Such a situation helps to explain why Canadians — while not intensely religious — are nonetheless found by the polls to be relatively affiliated, to see themselves as being somewhat religious, and to be politely positive concerning religious leaders and their influence," he said.

In questioning whether people invariably fashion some religious or humanistic view to guide their thinking, Mr. Bibby and two American sociologists, William Bradford and Rodney Stark, have challenged the rather venerable predictions of Emile Durkheim, one of the fathers of scholarly analysis of religion.

Mr. Durkheim, writing at the start of this century, when much of academia was confident about scientific thought supplanting religious views, said that "the old gods are growing old or already dead," but that there was no "reason for

that his own suggested focus of "general biographical goals" for many people was identical to Mr. Luckmann's ideas.

In any case, the question is raised whether purely private goals can constitute a system of meaning or a "religion."

In attempting to test whether lives are given cohesion by certain world views — traditional or untraditional, Christian or non-Christian — Mr. Bibby said he found that many Canadians do not seem to have lives that are tightly integrated.

"Unfocused Majority"

"Canada seems to have an 'unfocused majority,' people who hold bits and pieces of religious beliefs and humanist values, yet have unclear interpretations of their existence," he said. "Such fragmented and syncretistic tendencies, of course, are hardly novel to Canada, he added, noting that national surveys indicated similar results in the United States and Britain.

Moreover, Canadians who do exhibit integrated views, perhaps the majority, do so "in the apparent absence of identifiable meaning systems, religious or humanist," he said.

Mr. Bibby noted that "meaning" signifies different things to different people: Religion is concerned with life's meaning in most cases discerned or revealed before the individual was born, while humanist perspectives are concerned with making life meaningful and usually play down the search for ultimate meaning.

Madagascar: East, West Still Maneuver for Influence

INTERNATIONAL BUSINESS/FINANCE

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BUSINESS PEOPLE

Cave Announces That He Will Retire As Thorn EMI Chairman March 31



Sir Richard Cave

Sir Richard Cave, 63, chairman of Thorn EMI, said Tuesday that he will retire on March 31, 1984.

Thorn EMI, a London-based consumer- and military-electronics company, said Peter Lister, 54, the present managing director, is to be appointed chief executive and chairman-designate, effective Oct. 1. In addition, Sir William Barlow, 59, and H.G. Mowatt, 55, will be appointed vice chairmen from the same date.

Thorn last month surprised the financial community with buoyant results for the year ended March 31. Pre-tax profit jumped 16 percent to £122 million (\$183 million). Boosted by a boom in demand for consumer electronic goods, turnover rose 10 percent to £2.72 billion.

Sir Richard, who became chairman in 1976, said: "I have decided that now is the right time to announce my retirement from the company. Introducing necessary changes in the management methods of the company following the retirement of Sir Jethro Thorn, the founder, and carrying through the integration of two companies as large and complex as Thorn and EMI have been major tasks."

Royal Bank Seeks N. America Growth

Royal Bank of Scotland has appointed Stephen Burrows to the new post of executive vice president for North America in a "further step in developing and coordinating of our activities in North America," a company spokesman in the Edinburgh head office said.

Mr. Burrows, who is based in New York, will assist with the planning of and play a major role in implementing the bank's development and strategy in North America. He said that North America is among the areas in which "we are keen on developing and expanding."

Royal Bank of Scotland has offices in New York, Chicago, Los Angeles, Houston and San Francisco.

Successor Mr. Burrows as head of the bank's New York branch is Dennis D. Patten, who formerly was senior representative and agent at the bank's San Francisco representative office.

Other Appointments

David G. Oley, formerly deputy managing director, has been appointed managing director of Manufacturers Hanover Export Finance in London. He takes over from Malcolm Davies, who has moved to Manufacturers Hanover's head office in New York to head the bank's world trade group.

Continental Illinois National Bank and Trust of Chicago has appointed James P. Donohue and Drew E. Wailey senior vice presidents. Mr. Donohue is based in London, where he is responsible for multinational banking activities in Europe. Mr. Wailey heads the Africa/Middle East group of international banking services.

Cadbury Schweppes, the London-based confectionery and soft-drink maker, has appointed Hugh R. Collis group finance director, effective Sept. 1. He succeeds Michael R. Gifford, who, as previously announced, has been named chief group executive of Rank Organization. In addition, Robert A. Headstrom, chairman of Kleinwort, Benson, London, will become deputy chairman of Cadbury Schweppes on Jan. 2, following the retirement of Basil E.S. Collins.

Boston Leasing, a London-based subsidiary of First National Bank of Boston, has named Peter Burrows-Smith to the new position of senior leasing officer, responsible for corporate lessor management services. Mr. Burrows-Smith joins the leasing concern from British Leyland, where he was a corporate finance manager.

Chase Manhattan, the London-based merchant banking arm of the U.S. bank, has appointed Linda M. Hanson a syndication manager. Ms. Hanson, whose appointment is effective Aug. 22, joins Chase Manhattan from Sandi International Bank.

Arab Investment Co. of Riyadh has named Yalva Fung director of projects. He previously served as vice president and executive officer for United Laboratories in the Philippines.

John Alvey has been appointed managing director, development and procurement, and engineer-in-chief on the board of British Telecom. He succeeds John Wylie, who retired.

William F. Paul has been named president and chief operating officer of United Technologies' Sikorsky Aircraft division. He moves up from executive vice president of Sikorsky, the world's largest maker of helicopters.

National Advanced Systems (Europe) has appointed Clive Boddington to the new position of European director of product marketing for large systems. NAS, a subsidiary of U.S.-based National Semiconductor, is a supplier of IBM-program-compatible computer systems and software. He joins NAS from IBM UK.

E.A. Brussel, formerly deputy chairman and managing director, has become chairman of British-American Tobacco, following the retirement of C.H. Stewart Lockhart.

—BRENDA HAGERTY

CURRENCY RATES

Interbank exchange rates for Aug. 2, excluding bank service charges									
	U.S.	£	D.M.	F.F.	U.S.	£	D.M.	F.F.	U.S.
Amsterdam	5.97	4.692	111.23	37.71	1.0299	—	—	—	—
Bremen/Bremen	5.97	4.692	108.5775	36.0285	1.0299	12.9227	—	—	—
Frankfurt	5.97	4.6925	108.5775	36.0285	1.0299	12.9227	—	—	—
Hamburg	5.97	4.6925	108.5775	36.0285	1.0299	12.9227	—	—	—
Munich	5.97	4.6925	108.5775	36.0285	1.0299	12.9227	—	—	—
New York	1.5740	2.3810	981.94	194.41	—	529.91	29.554	725.18	144.10
Paris	7.9785	1.5125	5.076	0.1949	0.0288	1.2364	0.0187	0.6477	0.0164
Zurich	2.5087	3.2687	80.05	26.72	1.0299	71.978	—	22.57	—
1 ECU	0.8572	0.6574	2.799	1.0299	—	2.548	0.6499	1.8835	0.6799
1 SDR	1.0287	0.6498	2.8405	1.0298	1.0297	2.5717	0.6792	2.2577	0.6792

Dollar Values

	Per	U.S.	Per	U.S.	Per	U.S.	Per	U.S.	Per
Australia	1.13	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745
Canada	1.02	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745
Denmark	1.02	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745
Finland	1.02	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745
Iceland	1.02	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745
Ireland	1.02	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745
Italy	1.02	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745
Japan	1.02	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745
Malta	1.02	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745
Netherlands	1.02	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745
Norway	1.02	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745
Portugal	1.02	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745
Spain	1.02	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745
Sweden	1.02	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745
Switzerland	1.02	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745
United Kingdom	1.02	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745
United States	1.02	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745
U.S.S.R.	1.02	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745
Yugoslavia	1.02	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745	0.8821	1.0745

(a) Commercial franc (b) Amounts needed to buy one pound (*) Units of 100 (** Units of 1,000

*** Not quoted; N.A.: not available.

INTEREST RATES

Eurocurrency Deposits

Aug. 2

United States	Close	Prev.	Britain	Close	Prev.
Discount Rate	8%	8%	Bank Base Rate	7%	7%
Federal Funds	9%	9%	Call Money	9%	9%
Prime Rate	10%	10%	91-day Treasury Bill	9%	9%
Broker Loan Rate	10	10	3-month Interbank	7%	10%
3-month T-Bill	9.75	9.75	6-month Interbank	—	—
6-month T-Bill	9.45	9.45	1-year Interbank	—	—
CD's 30-59 days	9.10	9.10	2-year Interbank	—	—
CD's 60-90 days	9.30	9.35	3-year Interbank	—	—

West Germany

Germany	5	5
Overnight	5.05	5.05
One Month Interbank	5.45	5.45
3-month Interbank	5.70	5.65
6-month Interbank	5.85	5.85

Japan

Discount Rate	5%	5%
Call Money	5%	5%
60-day Interbank	5%	5%

Sources: Commerzbank, Bank of Tokyo, Lloyd's Bank.

Commodore Thrives in Home Computers

Cost Curbs Are Key To Big Market Share

By David E. Sanger
New York Times Service

Dow Jones Averages

Open	High	Low	Close	Chg/pt
1,222.22	1,226.00	1,218.00	1,221.00	+1.00
1,217.77	1,220.00	1,217.00	1,219.00	+1.00
1,217.77	1,220.00	1,217.00	1,219.00	+1.00
1,217.77	1,220.00	1,217.00	1,219.00	+1.00

Standard & Poors Index

High	Low	Close	Chg/pt
1,217.37	1,216.00	1,215.00	-1.00
1,216.00	1,217.00	1,216.00	-1.00
1,216.00	1,217.00	1,216.00	-1.00
1,216.00	1,217.00	1,216.00	-1.00

Composite Industries

Utilities

Finance

Transport

New York Stock Exchange

Odd-Lot Trading in N.Y.

Included in the sales figures

Market Summary, Aug. 2**Market Diaries****AMEX Stock Index****NYSE AMEX High****Prev. Close****23,170****23,210****23,230****23,250****23,270****23,290****23,310****23,330****23,350****23,370****23,390****23,410****23,430****23,450****23,470****23,490****23,510****23,530****23,550****23,570****23,590****23,610****23,630****23,650****23,670****23,690****23,710****23,730****23,750****23,770****23,790****23,810****23,830****23,850****23,870****23,890****23,910****23,930****23,950****23,970****23,990****24,010****24,030****24,050****24,070****24,090****24,110****24,130****24,150****24,170****24,190****24,210****24,230****24,250****24,270****24,290****24,310****24,330****24,350****24,370****24,390****24,410****24,430****24,450****24,470****24,490****24,510****24,530****24,550****24,570****24,590****24,610****24,630****24,650****24,670****24,690****24,710****24,730****24,750****24,770****24,790****24,810****24,830****24,850****24,870****24,890****24,910****24,930****24,950****24,970****24,990****25,010****25,030****25,050****25,070****25,090****25,110****25,130****25,150****25,170****25,190****25,210****25,230****25,250****25,270****25,290****25,310****25,330****25,350****25,370****25,390****25,410****25,430****25,450****25,470****25,490****25,510****25,530****25,550****25,570****25,590****25,610****25,630****25,650****25,670****25,690****25,710****25,730****25,750****25,770****25,790****25,810****25,830****25,850****25,870****25,890****25,910****25,930****25,950****25,970****25,990****26,010****26,030****26,050****26,070****26,090****26,110****26,130**

EBOT Plans Trading on 2 Stock Indexes

BUSINESS BRIEFS

Bank of New York Seeks to Acquire Northeast Bancorp in Connecticut

NEW YORK (AP) — Bank of New York, the 18th largest in the United States Tuesday announced plans to acquire Northeast Bancorp Inc. of New Haven, Connecticut, pending legislative approval, in the first formal form of a New York bank into the lucrative south New England market.

A spokesman said the merger agreement is pending a change in legislation by either Connecticut or the federal government. Interstate banking is prohibited by federal law except where reciprocity laws specifically exist.

Northeast Bancorp operates Union Trust Co., one of Connecticut's largest banks, with 60 branches mainly in wealthy Fairfield County, which adjoins New York State and from where thousands commute every day to New York City.

Bankers Trust said it purchased warrants to buy 18.5 percent of Northeast's stock, 625,000 shares, worth about \$30 million based on its over-the-counter price, shortly after the merger announcement was made.

Under the proposal, which was reached after three weeks of negotiations, members of the Amerex as well as Board of Trade members, would be able to trade the futures contracts traded at the Board of Trade, Mr. Cunningham said.

The two contracts are the Major Market Index, which measures the performance of 20 blue chip stocks listed at the Amerex, and the Amerex Market Value Index, a composite index of all stocks listed at the Amerex.

The futures contracts proposed in the agreement, which Mr. Cunningham described as a "memorandum of understanding," bring to four the number of indexes for which the Board of Trade has tentative plans.

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International Herald Tribune
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New Issue

2nd August, 1983



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Bank of Tokyo International Limited

Banque Indosuez

Banque Nationale de Paris

Banque Paribas

Banque de l'Union Européenne

Baring Brothers & Co., Limited

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Berliner Handels- und Frankfurter Bank

Chemical Bank International Group

Citicorp Capital Markets Group

Commerzbank Aktiengesellschaft

County Bank Limited

Crédit Lyonnais

Daiwa Europe Limited

DG BANK

Dresdner Bank Aktiengesellschaft

Robert Fleming & Co. Limited

Fuji International Finance Limited

Goldman Sachs International Corp.

Hill Samuel & Co. Limited

The Hongkong Bank Group

Kreditbank International Group

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Mitsubishi Bank (Europe) S.A.

Samuel Montagu & Co. Limited

Morgan Grenfell & Co. Limited

Morgan Guaranty Ltd

Morgan Stanley International

The Nikko Securities Co. (Europe) Ltd.

Nomura International Limited

Pierson, Heldring & Pierson N.V.

Solomon Brothers International

J. Henry Schroder Wag & Co. Limited

Smith Barney, Harris Upham & Co. Incorporated

Société Générale

Swiss Bank Corporation International Limited

Union Bank of Switzerland (Securities) Limited

Westdeutsche Landesbank Girozentrale

Commodore Stands Out in Home-Computer Market

(Continued from Page 7)
Edg Julissen, the head of Future Computing Inc., a management-consulting group for computer manufacturers. "But they have also been lucky."

Just how much was skill and how much was luck is a topic of much debate within the industry. But an increasing number of experts agree on one point: While Atari and Texas Instruments thought that consumers would be intimidated by the concept of bringing the power of the modern microcomputer into their homes, Commodore was not so sanguine. The company guessed, correctly, that the public would quickly tire of machines without the power to do more than play games and teach basic programming techniques.

So while Texas Instruments and Atari tinkered with variations of machines designed in 1977 and 1978, Commodore used its chip-manufacturing facilities to market more powerful, economical computers, designed in 1980 and 1982.

And to grab a bigger share of the market from his better-known competitors, Mr. Tramiel did not hesitate to price his computers based on manufacturing cost. Moreover, he continued to cut prices when volume picked up and the cost of manufacturing each unit declined.

TI and Atari, which designed their machines without the same cost-saving strategies, could not keep up. Soon they found themselves selling their own machines below their own manufacturing costs.

For the crafty maneuvering, analysts credit Mr. Tramiel, a concentration camp survivor who is described by friends and enemies as a brilliant strategist and autocratic chief executive. The home-computer industry is littered with former Commodore executives who left the company after doing battle with him. Mr. Tramiel's office said he was in the Far East and could not be reached for comment.

Industry experts say they are more impressed with Mr. Tramiel's strategy than with his products. "In terms of quality of design or reliability, they have no advantage," notes Mr. Julissen.

For example, in an industry where the most successful machines have usually been accompanied by a wide range of sophisticated software, or computer programs, comparatively few are available for Commodore's. And programs designed for the VIC-20, which Commodore is phasing out, cannot run on replacement, a more sophisticated machine that has 64,000 bytes, or characters, of memory capacity.

"They are basically low-rent people," says Esther Dyson, president of Rosen Research, which publishes an industry newsletter. "But the company is not without the capacity for technological innovation."

Mr. Wright notes that after Commodore purchased MOS Technology, a semiconductor manufacturer, in 1978, it was "free to take chances on more microchip designs. They did not have to guard against an outside company that they would buy a few hundred thousand units," reducing their ability to change designs if an early one did not work.

Last month the company entered its first venture in Japan to produce its own disk drives, in what analysts said was a continuation of the same strategy.

Commodore marketed its first inexpensive home computer, the VIC-20 in 1981. While the machine had fairly little memory capacity, it initially sold only \$200. And it was powered by a microprocessor that Commodore makes in high volume — and has sold to other computer companies, including Apple Computer Co. and Atari.

Atari still buys its microprocessors from outside vendors. And while Texas Instruments equips its home computer with a 16 microprocessor, the device has proven inefficient and unpopular with others.

Manufacturers. Unable to produce the processor in large volume, TI finds itself strapped with substantially higher manufacturing costs.

"TI and Atari created this market," notes Mr. Julissen. "It is not unusual that they have a few arrows in their backs."

Mr. Tramiel shot an additional arrow of his own last October, turning his attentions away from the VIC-20, whose price had dropped to below \$100. He rushed forward with the Commodore 64, the first computer at its price — now about \$200 — to offer enough memory capacity to make possible some advanced uses, such as word processing and financial analysis.

By transferring VIC-20 purchases to the more expensive Commodore 64, the company has increased its profit margins. And by moving the computer to the mass market in January, tied to a national advertising campaign, it assured high volumes.

Most analysts seem satisfied that the Commodore 64 has another 12 to 18 months left, and Mr. Greenberg said that "more bells and whistles will be added." But some express doubts about future products. While the company has shown some new wares at trade shows, they have announced none of them.

"I don't think Tramiel has anything in the pipeline," said Chuck Peddle, one of the chief engineers of the VIC-20 who left Commodore after a dispute with Mr. Tramiel and who now heads Vector Technologies. "But there is no question he has a charmed year ahead of him."

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Bank of China World Role Expands

By Michael Rank
Reuters

BEIJING — Business is booming for the Bank of China, the country's only foreign exchange bank, as it expands its overseas operations, taking a visible role in management of international syndicated loans, development finance and currency markets.

Fueled largely by a rapid rise in China's foreign exchange holdings to around \$12 billion, the volume of the bank's international business soared by 77 percent between 1980 and 1982, while loans rose by 19 percent, according to Ding Ning, general manager of its coordination and planning department.

Diplomats said the bank is being characteristically conservative in the way it is investing abroad, and that most of the foreign exchange had been invested for short periods. "There is no reason why China should not place half its holdings in five-year financial instruments," one diplomat commented.

The bank has in the last few years entered the syndicated loan field, and between 1978 and 1982 lent a total of \$680 million, covering 129 loans, Mr. Ding said. The bank has been lead manager of 24 syndicated loans in Hong Kong.

Although the bank has increased its international role, the Chinese prime minister, Zhao Ziyang, would like to see it become even more enterprising and active on world markets. He recently urged the Bank of China's overseas branches to be more aggressive and flexible, and Mr. Ding said they plan to play a greater role in the future.

But asked whether branches would actively pursue foreign companies to increase business, he said: "The Bank of China operates according to its own system and our managers are still considering just

Gold Options (prices in \$/oz.)			
Price	Aug.	Nov.	Feb.
\$10.50-12.50	10.00-12.00	—	—
\$12.00-13.20	11.00-13.00	—	—
\$13.00-14.20	12.00-14.00	—	—
\$14.00-15.20	13.00-15.00	—	—
\$15.00-16.20	14.00-16.00	—	—
\$16.00-17.20	15.00-17.00	—	—
\$17.00-18.20	16.00-18.00	—	—
\$18.00-19.20	17.00-19.00	—	—
\$19.00-20.20	18.00-20.00	—	—
\$20.00-21.20	19.00-21.00	—	—
\$21.00-22.20	20.00-22.00	—	—
\$22.00-23.20	21.00-23.00	—	—
\$23.00-24.20	22.00-24.00	—	—
\$24.00-25.20	23.00-25.00	—	—
\$25.00-26.20	24.00-26.00	—	—
\$26.00-27.20	25.00-27.00	—	—
\$27.00-28.20	26.00-28.00	—	—
\$28.00-29.20	27.00-29.00	—	—
\$29.00-30.20	28.00-30.00	—	—
\$30.00-31.20	29.00-31.00	—	—
\$31.00-32.20	30.00-32.00	—	—
\$32.00-33.20	31.00-33.00	—	—
\$33.00-34.20	32.00-34.00	—	—
\$34.00-35.20	33.00-35.00	—	—
\$35.00-36.20	34.00-36.00	—	—
\$36.00-37.20	35.00-37.00	—	—
\$37.00-38.20	36.00-38.00	—	—
\$38.00-39.20	37.00-39.00	—	—
\$39.00-40.20	38.00-40.00	—	—
\$40.00-41.20	39.00-41.00	—	—
\$41.00-42.20	40.00-42.00	—	—
\$42.00-43.20	41.00-43.00	—	—
\$43.00-44.20	42.00-44.00	—	—
\$44.00-45.20	43.00-45.00	—	—
\$45.00-46.20	44.00-46.00	—	—
\$46.00-47.20	45.00-47.00	—	—
\$47.00-48.2			

SPORTS

Coe, Ill., Will Miss World Track Meet

Compiled by Our Staff From Dispatches

LEICESTER, England — Sebastian Coe, Britain's middle distance running star, entered a hospital here Tuesday to undergo tests for a glandular condition. Beaten four times in recent weeks, Coe Monday night pulled out of next week's World Track and Field Championships in Helsinki.

Said a spokesman at Groby Road Hospital: "Sebastian Coe will be having investigations for a glandular condition. He is expected to be in hospital for a couple of days."

Coe "had been told by a medical specialist in infectious diseases that he must stop all exercise until he had full hospital tests," said John Le Meurier of the British Amateur Athletic Board.

"Seb has a lymph gland infection similar to the glandular fever which caused his withdrawal from the European Championships in Athens last year."

Coe, 26, has suffered four defeats in a few weeks, including a loss to American Steve Scott in the miles at London's Crystal Palace Friday night and to fellow Briton Steve Cram in the 800 meters — his specialty — at Gateshead on Sunday.

The Helsinki entries officially closed Thursday, and the British band was turned down Tuesday when it asked the organizers whether Steve Ovett, entered in the 1,500, could replace Coe in the 800. Ovett has been named to run in the 1,500, along with Cram and Graham Williamson. Coe, Peter Elliott and Garry Cook were selected for the 800.

Solly Diamond: A Gem in the Rough and Out of It

By Ira Berkow

New York Times Service

NEW YORK — Solly Diamond went through life at his own pace and with his own wisdom. Once, for example, he sized up a particular person this way: "If you put his brain in a canary he would fly backwards."

Solly Diamond came to certain convictions: "Money isn't everything," he once said. "Health is 5 percent."

Now was he a sentimental: "My grandfather in Russia used to go out with a rope and come back with a horse."

Solly Diamond's name came up recently in regard to the shot hole Irwin missed in the British Open last month. It was a 3-inch putt that Irwin thought he'd nonchalantly tap in backhand. He missed the ball.

That one stroke was the difference between Tom Watson's winning the Open and Irwin's finishing second. With the PGA Championship in Los Angeles beginning Thursday, Irwin could probably profit from advice by Solly Diamond, who, despite being dead for the last several years, still lives in memory.

"If you look back," Solly said, "you die of remorse."

And perhaps of somewhat less consolation for Irwin, he noted: "Just remember, every shot makes someone happy."

Solly was an avid amateur golfer. Amater in a fashion. Golf was no game for him unless it was played for money, not prize money like the professionals but side bets, and of an inventive nature. And his club brimmed with people like him.

So played at Tam O'Shanter Country Club, just outside of Chicago. Solly, sight of one of the most famous golf shots in history, Lew Worsham sank a 130-yard wedge shot for an eagle on the final hole to win the 1953 World Championship of Golf by one stroke.

A particular shot by Solly, though, is recalled for being as remarkable in its way as Worsham's. At least it caused quite a stir.

Solly was a baldish, stocky man who favored a cap and knickerbockers when on the course. "Solly loved golf because it gave him a creative outlet," summarized his son, Terry Diamond, an investment broker in Chicago, "and sometimes added generously to his wallet. And sometimes took away from it."

"You have to remember that Solly left school when he was 9 years old to make his money in the world. He used to ride the rails. He went all over the country except Florida. The only way to get there was through Georgia, and if they caught you on a freight train in Georgia they'd throw you on a chain gang."

"So no Florida." "Solly went to Hollywood and was an extra in the old Tom Mix westerns. Sometimes he played a cowboy and sometimes an Indian, and sometimes both."

When Solly was a young man he stopped in Louisville, Kentucky, and met a short man who suggested a business deal that appealed to Solly. "They went to the race track," said his son, "and Solly picked up the losing tickets for the first two races and ran through the stands shouting 'I won, I won.' He did it again after the third race. People began to gather round him."

"Then this short man who looked like a jockey came by and he and Solly whispered to each other. People watched. Soon people began paying my father for tips."

"Not long after, Solly's partner happened to pick nine winners in one day. And he said, 'I'm not going to give those suckers winners.'

Done. "And of course they put a nice bit of change on the outcome."

"It was a close match. Coming up to a tee on the last nine, Solly was three strokes down. He noticed the thick woods to the right. This was the time to take advantage of Solly's tendency to slice."

"Solly placed the tee markers right beside the woods. He drove first and hit his characteristic straight shot, narrowly missing the woods. Julius' shot scattered birds as it rippled through the trees."

From the 11th to the 14th, they remained

neck-and-neck. On the 14th, Julius went into a sand trap near the green.

"Now," Terry said, "Julius made an offer to Solly. He said, 'If you let me throw my ball out of the trap instead of hitting it, then I'll give you a throw when you want it.'

"Solly said fine. Julius threw his ball a few feet from the hole for a gimme putt.

"Now they're at the 18th hole. The score is even. They both drive well. Because Solly was away, as usual, he would hit first. The second shot must carry over a water hazard."

"Solly, remember, has a throw coming. And he walks over to Julius's ball, picks it up and flings it in the water."

"Julius is hopping mad. He shouts it's not fair. Solly says, 'It's only a one-stroke penalty. You're lucky I didn't throw it in the woods. That's two strokes.'

"Solly takes the lead, the match and the dough."

"Julius is not only mad about losing but he says, 'How come you had to throw a brand-new ball in the water?'

"Julius appeals to the club for a ruling. And Solly is upheld. Then Solly goes to the pro shop and buys a dozen new balls and gives them to Julius. Julius' shot scattered birds as it rippled through the trees."

From the 11th to the 14th, they remained

Carlton Strikes Out 12 as Phillies Beat Cubs, 2-1

Compiled by Our Staff From Dispatches

PHILADELPHIA — Steve Carlton, the Philadelphia Phillies' past Chicago Cub, 2-1, here Monday night. It was the 74th time in 18-year career that Carlton struck out 10 or more batters in a game.

Left fielder Greg Gross, in a race start, had a double and a two-singles singles and drove in the gamewinning run in the seventh inning.

PADRES 7, ASTROS 4

In San Diego, Bobby Brown's three-run home run with two out in the 10th made the Padres 7-4 winners.

ROD 4, DODGERS 2

In Los Angeles, Dan Driessen singled in Eddie Murray with the tie-breaking run to trigger a two-run 10th that paced Cincinnati past Dodgers, 4-2.

BRUINS 8, GIANTS 3

In San Francisco, Brett Butler's bases-loaded triple capped a four-run seventh that rallied Atlanta over the Giants, 8-3.

WHITE SOX 4, YANKEES 1

In the American League, in Chicago, Greg Luzinski hit a pair of mammoth two-run home runs to beat the five-inning pitching of Floyd Bannister as the White Sox dumped New York, 4-1. Luzinski's first homer, in the opening inning, traveled 475 feet and landed on the left-field roof, making him the first player in the history of the major leagues' oldest park to hit two balls over or over the roof in one season (he did it against Minnesota June 26). Only 22 balls have been hit onto or over the roof in the 73-year history of Comiskey Park and Luzinski became the first Chicago player to do it twice; Jim Fox and Ted Williams are the only others to have done it more than once. Luzinski's third-inning home run also off started and later Ray Fosse (3-1) reached the upper deck in left field.

INDIANS 6, BLUE JAYS 0

In Toronto, Len Barker pitched a three-hitter and struck out nine and Mike Hargrove contributed a two-run double to lead Cleveland to a 6-0 thumping of the Blue Jays.

BREWERS 6, RED SOX 2

In Boston, Ted Simmons had



Red Sox catcher Gary Allenson brandished the ball confidently, but Cecil Cooper was safe during Monday's game in Boston. Cooper came home on Ted Simmons's single in the sixth, when the Brewers scored four runs to ice a 6-2 victory.

three hits, including a two-run single that highlighted a four-inning sixth, to spark the Brewers' 6-2 victory over the Red Sox.

TIGERS 3, ROYALS 2

In Detroit, Lance Parrish lined his 15th homer of the year into the left-field seats with two outs in the eighth to give the Tigers a 3-2 decision and their fourth victory of a five-game series with Kansas City.

A's 4, Mariners 3

In Seattle, Davey Lopes drew a two-out, bases-loaded walk in the ninth off reliever Bill Caudill as Oakland nipped the Mariners, 3-2.

INDIANS 6, BLUE JAYS 0

In Toronto, Len Barker pitched a three-hitter and struck out nine and Mike Hargrove contributed a two-run double to lead Cleveland to a 6-0 thumping of the Blue Jays.

BREWERS 6, RED SOX 2

In Boston, Ted Simmons had

Monday's Baseball Line Scores

AMERICAN LEAGUE

DETROIT 3, CLEVELAND 2

DETROIT 3, NEW YORK 2

DETROIT 3, CHICAGO 2

DETROIT 3, MILWAUKEE 2

DETROIT 3, BOSTON 2

DETROIT 3, TORONTO 2

DETROIT 3, SEATTLE 2

DETROIT 3, CALIFORNIA 2

DETROIT 3, KANSAS CITY 2

DETROIT 3, NEW YORK 2

DETROIT 3, BOSTON 2

DETROIT 3, TORONTO 2

DETROIT 3, SEATTLE 2

DETROIT 3, MILWAUKEE 2

DETROIT 3, CHICAGO 2

DETROIT 3, MILWAUKEE 2

OBSERVER**Molding a New Weapon**

By Russell Baker

NEW YORK — We have been swamped with complaints from people in Secaucus, Passaic and Bloomfield, New Jersey. On Thursday night these towns were struck by an accidental drop of soft lime gelatin, which, they assert, was released maliciously while we were testing a prototype of our attack dirigible for the Pentagon.

As explained earlier in this space, when fully developed the attack dirigible will be five miles long, travel at a speed of 55 miles per hour and carry a payload of 500 megatons of chilled gelatin, aged to a rubbery consistency that will make it bounce three times when dropped in two-ton cubes from a height of 20,000 feet.

The suggestion that we would use this devastating weapon against Secaucus, Passaic and Bloomfield is absurd. It is our hope that it will never be used against anyone, for we are no different from anyone else trying to snare a large piece of the Pentagon budget by building better weapons. Our sole desire is to drain the Treasury.

Now, it is true that there was a small accident over New Jersey on Thursday night. Seeing a chance to demonstrate to the Pentagon the need for an attack dirigible, we constructed a miniature prototype. It is a mere 30 feet long and is powered by two motors, one from a washing machine and the other from a lawn mower.

Our plan was to load it with 50 pounds of lime gelatin to fly to Nicaragua and drop the gelatin on the Red masters of the government there. The spectacle of Reds spattered with green gelatin, our psychological-warfare advisers told us, would remind the Nicaraguans of Christmas and make the tyrants such a laughingstock that they would lose face with the masses.

We reasoned that this demonstration of the attack dirigible's usefulness would encourage the Pentagon to ship us a few billion dollars for development of the real thing.

Thus, we took off from a rooftop in lower Manhattan carrying 50 pounds of gelatin that had not quite hardened. Our physicists assured us that as we reached high

altitudes, the cold air would cause the gelatin to set and become rubbery enough to bounce all the way from Nicaragua to Panama by the time we reached the target.

We had been airborne scarcely 45 minutes when we discovered that no one on board knew where Nicaragua was. This seemed to bode well for our winning a Pentagon contract, for as I wrote in the log, "We are demonstrating the high degree of incompetence which the Pentagon so cherishes in its contractors."

As we approached Weehawken after going back to obtain road maps and an atlas I ordered the dirigible taken up to 30,000 feet so the gelatin could congeal. Then I sat down to compose press releases to be dropped over Philadelphia, Atlanta and points south.

These stated that we were embarked on a covert mission to destabilize the Nicaraguan government and would appreciate television coverage.

This work was interrupted by news that one motor was low on fuel and we were losing altitude.

There was nothing to do but jettison the atlas and road maps to reduce weight. Still too heavy to maintain altitude, we also dumped the press releases.

The pilot was exhilarated. "It will take years for the Pentagon to get the bugs out of this," he observed. "We'll have jobs for the rest of our lives."

Much as this thought buoyed our spirits, it could not alter the fact that we were still 29,500 feet below our optimum cruising altitude. The importance, of course, was to save the dirigible. And so I gave the order: "Drop the gelatin."

"It hasn't hardened yet," protested the gelatist.

"Gelatin away!" I roared.

Thus Secaucus, Passaic and Bloomfield made their small sacrifices. They will go down on the honor roll of towns without which U.S. technology could never have become the world's finest.

Unable to achieve enough altitude for a roof landing in Manhattan, the attack dirigible came to rest at a curb where a roving gang robbed us of our gelatin molds. Before we fly again we shall have to expand our budget to provide adequate landing-site security.

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